

A Warning to the People.

THE GREAT PAPER BUBBLE;

OR, THE

COMING FINANCIAL EXPLOSION.

BY

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EXPLANATION OF THE ENGRAVING.

"Delmar's Financial Indicating Bubble."


THE Bubble represents the expansion of paper currency. The figure 100 at the brim of the pipe indicates the level of prices before expansion—for instance, a dollar's worth of Gold, or Merchandise, or Labor. The figures 110 to 200, at the side of the bubble, represents the *relative* inflation of the articles opposite to them—a relation that will be maintained as long as the expansion continues. This relation may be changed by the operation of forced measures, such, for instance, as the law that now keeps down the advance in gold below the advance in stocks, merchandise, and articles of food. It may also be affected, as at present, by war, which has increased the price of unskilled labor by the demand it has created for new troops. But when one thing is forced down below its natural level, something else flies up, or *vice versa*, and the aggregate sum of all the increased prices will continue to be the same, without the inflation itself increases or diminishes.

From this engraving we perceive that the working man, who used to get a dollar for his labor, and was able to buy with it a certain quantity of gold, or provisions, or clothing, or furniture, *now* pays from 150 to 200 for these things, while his labor has only advanced to 120. And let him strike ever so often, the position must remain relatively the same, or *widen still more, and at an increasing ratio*. The case of the professional man or clerk is still worse, as will be seen by reference to "Brain Work."

The Thermometer in the lower corner of the picture represents the scale of prices *after* the explosion takes place; the capital letters at the side, corresponding with those on the bubble—A, meaning gold; C, stocks; D, *com* merchandise, etc., etc. From this it will be seen that, when the paper currency collapses from natural causes, and becomes so depreciated as to be inconvenient as a medium of exchange, and gold comes into circulation again, the state of the markets will be such that the labor which formerly brought a dollar, and now brings a dollar and twenty cents, will fall to fifty-five cents; that food will only fall to eighty cents; and clothing, furniture, etc., to seventy-five cents; the laborer and professional man being, both during the expansion and collapse, the principal sufferers. Such are the phenomena of a legal tender law. See chapter XII.

[For contents see third page of cover.]





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THE

GREAT PAPER BUBBLE;

OR,

THE COMING FINANCIAL EXPLOSION.

CHAPTER I.

Money Matters—Extraordinary Scene in a Horse-Car—A Talk among the Working Classes—Irredeemable Shinplasters—The Man with the Brass Plate—Human Nature—Greenbacks and Specie.

WE witnessed an extraordinary scene last week. It was in a Third Avenue car—crowded, reeking with foul air, and a greater variety of smells than are to be found at Cologne, where Coleridge says he counted ninety-eight. We lived at Harlem, the night was rainy, and the journey long and fatiguing. There were passengers sitting, passengers standing, passengers packed in a confused jostling mass on the platform, and passengers hanging to the roof by straps. There were ladies sitting next to negroes; and mechanics and pickpockets squeezing each other for seats.

Both my right and left hand neighbors were "longshoremen." One had his coat covered with little tufts of white cotton, while that of the other trickled with a sticky molasses. Both looked contented and happy. Why shouldn't they? Nobody could injure *their* coats.

A portion of the crowd was engaged in singing "patriotic songs." We had "Old John Brown is a marchin' along," the "Amalgamation Chorus," "Hale is the Man for my Money," and "How Happy are We in this Blessed Countree."

And so we rumbled on towards Harlem. By-and-by the platformers got off, the strappers took their places, the standers got seats, the songs died away, and nothing was heard but the jingling, trotting, spinning, plunging, rumbling chorus of the conveyance, and the pattering of the rain upon the roof. At Yorkville, the car stopped and took up a new passenger. He was a common looking man, evidently from the country, and sat down directly opposite to us. The conductor followed him up for his fare, when he produced an old-fashioned purse from a capacious pocket, and fished up a silver five cent piece.

"First one of them shiners as I've seen these two years," remarked the facetious individual with the brass plate on his coat collar, looking round for applause.

As, according to the regulations of the company, the passengers are entirely in the power of the conductor, and dare not either claim a full seat, or pull the strap, or protest against being sat upon or trodden on—they generally feel it to their interest to laugh at whatever the man with the brass plate considers a joke, and they consequently gave vent to sundry forced guffaws; in the midst of which the man with the brass plate retired to the rear platform, and in such good humor, that he actually stopped the car for the next passenger who got out, though I believe it started again before he got well clear of it, and it knocked him down in the mud. But what business has a man to travel in the horse-cars unless he is an acrobat?

To go back to our countryman. This remark drew our attention to him. He had a high-cheek-boned, weather-beaten face, hooked nose, and glittering eye. His eyes were two lighthouses.

Up spoke one of the passengers, seemingly a dry goods clerk. He was a little weazen fellow, with an elegant neck-handkerchief, and a large gilt watch-chain.

DRY GOODS CLERK.—"I say, neighbor, do you always carry specie about you?"

COUNTRYMAN (cautiously).—"Well, I don't allers have it to carry; but when I have, I carry the hard cash. I don't believe in paper money, sir. I make my bargins on a

specie basis. No paper money for me. It's ruining the country, sir." (The lighthouse eyes began to flare up a little.)

CLERK (trying to bring him out for a joke).—"Don't see any signs of it yet."

COUNTRYMAN.—Don't you? Well, you don't know every thing, young man." (A laugh.) "What about the stock gambling in Wall Street? What about the Cataline contract, the Straw Hat and Linen Pants contract, the Twenty-dollar Rifle contract, the Fremont contracts at St. Louis, and the Navy contracts at Washington? Now, what's the cause of it all, sir? Greenbacks, sir, greenbacks; and I wish their *backs* were broken to-morrow. 'Twould be all the better for the people of this country."

[At this some laughed, others cried "Put him out!" others, "He's secesh!" others, "Go on, yaller coat!" etc., etc., while many crowded about him and joined in the debate.]

COTTON PACKER (flourishing his bale-hook, and playfully buttonholing our countryman with it, to arrest his attention).—"Give me fourteen shillin' a day, and keep the prices of provisions down, and I don't care how much paper there is, or who swindles the Government. Hear that, old fellow?"

MOLASSES MAN (indignantly to cotton packer).—"Dry up, Jim Baggs! You know you only gets twelve shillin'; as for provisions, molasses is dearer; it's a dollar now."

FISHWOMAN.—"Yes, and smelts is twenty cents."

BUTCHER.—"Porterhouse, twenty-five; ribs, twenty; chuck, fourteen."

GROCEr.—"Coffee, fifty-five; tea, two dollars; sugar, twenty cents."

MAN IN BLACK.—"Silk hats, six dollars, and rising."

MAN WITH A LARGE BUNDLE IN HIS LAP.—"Coats, thirty; pants, fourteen; vests, eight. Cloth is very dear, and workmen is scarce."

FISHWOMAN.—"All along of the war, I reckon."

OMNES.—"Just so!"

COUNTRYMAN I (excitedly).—"Nothing of the kind, friends. The war has nothing to do with it. Maybe skillful workmen are a little scarce, though there's few of *them* has gone to the war, excepting they were drafted; but there is plenty of labor and material. The war has nothing to do with it. The real cause is this paper money."

FAT OLD GENTLEMAN, in the corner.—He's right my friends. The cause is paper money. Now, I'm a stock broker, and I understand these things. The cause is paper money."

COUNTRYMAN.—"*Ex-actly*. Now, look here" (taking a dollar greenback from the hands of a neighbor, who was busily examining it), did you ever see so much rascality in a little space as there is on the back of this bill? Look on the inside of this circle: 'This note is a LEGAL TENDER for all debts, Public and Private, *except*,—now mark this—'*except* Duties on Imports and Interest on the Public Debt.' That is as much as to manufacture your own shinplasters, and compel everybody to take 'em, but refuse to take 'em yourself."

COTTON PACKER.—That's what Tom Lobbs, that keeps the Blue Jug, did. He gi' me a four cent shinplaster for change, and then wouldn't take it back again."

MOLASSES MAN.—"Dry up, Jim Baggs! Tom is a friend of mine. I roll in his liquor casks, and sell the empty barrels for him."

COUNTRYMAN.—"That's just the way it is with the currency. Nobody will raise his voice against it, provided the Government employs him in some way. But, I tell you it is RUIN! When you *compel* people to take your paper money, they are obliged to part with their property or their labor at less than its value, and the profits go into the pockets of a few speculators and capitalists."

[All glance towards the fat gentleman.]

STOCK BROKER.—"You're right, friend. I am one of those capitalists myself, and I'm free to confess I have made a large fortune within a very recent time. Bt it isn't *my* fault. *I* can't help it. If I don't do it, somebody else will. It's the fault of the currency. If you want to keep

yourselves from being ruined, you must return to gold and silver. Hard cash is the poor man's friend."

DRY GOODS CLERK (faintly).—"We want a uniform currency——"

COUNTRYMAN (getting up and flashing the lighthouses into every corner of the car).—"Uniform currency, eh? Is greenbacks uniform? Worth one hundred cents on the dollar in New York, and but sixty cents in San Francisco; and if they happen to be a little torn, they are not worth a cent!"

DRY GOODS CLERK.—"I'm speaking of the National Bank note currency" (winking at the fishwoman, who, however, *didn't see it*).

COUNTRYMAN.—"Oh, you are, eh? Well, what's the advantage of a uniform currency?"

DRY GOODS CLERK (rather puzzled).—"Well, I suppose it's a great thing; isn't it?"

STOCK BROKER (coming to the rescue, to keep up the argument).—"He means it's better to have one set of bills instead of a great variety, so as it would be easier to detect a bad one. Also, there wouldn't be any discount on country money."

COUNTRYMAN.—"Well, you weren't obliged to take country bank bills. They weren't a legal tender."

STOCK BROKER.—"No more are the National Bank bills."

COUNTRYMAN.—"Excuse me, sir, *they are*; first, they are by law a legal tender for all payments *to* the Government (except duties); second, for all payments *from* the Government (except interest); and third, as you can't demand gold for them, and no other currency will be permitted, they will act as legal tender from hand to hand."

STOCK BROKER (laughing).—"I see you're posted."

COUNTRYMAN.—"It's time every man was posted on this question."

HATTER.—"But, friend, you know it was always very hard to tell a good bill from a bad one. I remember——"

COUNTRYMAN.—"And isn't it just as hard now? Aint there counterfeit twenties of the greenbacks, and counterfeit tens, and altered ones, and bogus fifty cent bills, and bad twenty-fives? Suppose you get up a uniform cur-

rency, and a counterfeit five is manufactured, *don't you see that this five will answer for every one of the three hundred National Banks?*"

BUTCHER (enthusiastically).—"Good for you! Go it again!"

COUNTRYMAN (encouraged).—"And how can you produce uniformity with such a variety of banks—some of 'em in Wall Street, and some on top of the Rocky Mountains? Suppose No. 1 is located in New York and No. 2 in New Orleans, which would you prefer?"

DRY GOODS CLERK (with a dying smile).—"I fancy I would be looking out for *Number One*. Goak, as Harsimus Smith says."

COUNTRYMAN.—"Exactly; so I thought. And yet, it's just the likes of you that havn't got brains enough to know your own interest, who keep the rest of the people from learning it. I suppose you're a Loyal Leaguer, ain't you?"

DRY GOODS CLERK.—"Oh yes! we're all Loyal Leaguers in New York."

[This produced a general chorus of dissent. The confusion only ended when the stock broker called for three cheers for the good old Democratic party.]

COUNTRYMAN.—"The central office of all these National Banks is located at Washington. By this simple means the entire money business of New York will be taken from her."

STOCK BROKER.—"By Jove, you're right, my friend! I never thought of that."

[At this, the whole company looked serious. It was that part of the conversation which they least understood the bearing of; but such is always the influence which the opinion of a man of wealth has upon the masses.]

COUNTRYMAN (bringing them back to the starting point).—"The National Banks ain't the worst of it. It's suspending specie payments that's the trouble."

TAILOR.—"That was the fault of the State banks."

COUNTRYMAN.—"Not so. It was Salmon P. Chase that did it! He borrowed from the banks all the specie they had, and then stopped specie payments by asking for a legal tender law."

STOCK BROKER.—“He is certainly the most ignorant man that ever presided over the Treasury Department. Hasn’t the first idea of money matters, except to help his friends to bag the spoils.”

COUNTRYMAN.—‘I tell you, friends, it’s all part of a regular plan. It’s CENTRALIZED GOVERNMENT. It’s POWER. It’s ARISTOCRACY AND PRIVILEGED CLASSES. Any man that votes the Republican ticket, no matter by what name it goes, whether Union or Loyal or Liberty party, votes for the slavery of white men, and the elevation of a few tyrants!’

COTTON PACKER.—“Well, what’s the odds? If they don’t behave themselves, won’t we vote ’em out of office at the next election. It’s only four years, you know.”

COUNTRYMAN (shouting out his words, and flashing out his two lighthouses).—“You’ll never again have the chance you have now. This is the last presidential election you’ll ever have in the States, if a Republican is elected. And even this one is a mockery. There’s Virginia, North Carolina, Tennessee, Florida, Mississippi, and Louisiana to vote; and they ain’t no more in the Union than Canada is. There’s soldiers to vote, *and you know how they’ll vote*. They’ll be like the stock broker yonder: *there’ll be only one way for them*. But it’s not the loss of the election, or of the liberties of the American people, I care so much about, though” (taking out a red cotton handkerchief, and giving the lighthouses a rub—there was a little moisture on them) “I would hate to see this fair land owned and governed by a few satraps, and I be obliged to leave it to find freedom in foreign parts. It’s not that. Old as I am, I could get away, and die in some distant land were Liberty and Democracy hadn’t yet found a master. It’s the bloodshed and cruelty that is always sure to follow injustice, that I’m thinking of. Sixty years after John Law ruined the French finances, the people rose upon the aristocrats, and an ocean of innocent blood was spilt. Women and children were beheaded; young girls exposed indecently in the public streets; and boats, loaded with hundreds of unfortunates, deliberately scuttled in the Loire. The head of the beautiful Princess de

Lamballe was carried about the streets on a pole. At La Force, the Bicetre, and the Abbaye, the massacres of the hapless aristocrats, and many that were not aristocrats, continued all day and through the night. Only the lowest dregs of the populace held sway. Such was the appetite they contracted for blood, that they brought their meals with them to the prisons, and only suspended the executions to remove the corpses. The women were as ferocious as the men, and they actually brought their knitting with them, in order not to lose the sight of a single murder. Do we want to behold these scenes again? Do we want to have this country pass through a Reign of Terror?"

[When he came to speak of sticking heads upon a pole, the dry goods clerk prudently got up and retreated to the rear platform. The speaker's eyes were all afire.]

STOCK BROKER.—"Come, come, friend; this is drawing rather a fancy picture. Such things won't happen in this country. We're a too law-abiding people for that. The ballot-box is a quiet way of disposing with such objections as a moneyed aristocracy, or even a tyrant."

COUNTRYMAN (quite up to him).—"And suppose the ballot-box itself is disposed of?"

STOCK BROKER.—"Oh, that's impossible. It's unconstitutional."

COUNTRYMAN.—"Impossible! Unconstitutional! Why, it has been done already! The elections in Maryland were entirely forced—so were they in Missouri; while in Louisiana nearly the total vote was military. The elections in Ohio were tampered with, and New York was heavily reinforced with troops. *The usurpations of power by this Administration constitute a revolution of itself, a revolution not yet completed.* If it succeeds, there will be another and a bloodier one to come. I may not live to see it, but some of you around me will; and will remember this night. What does the historian of the French Revolution tell us? 'When a revolution is to be effected, it is always expedient to disguise whatever is illegal as much as possible; to make use of the terms of a constitution for destroying it; and of the members of a government for its overthrow.'"

[A long silence followed this singular warning. The car rumbled on, the rain dripped through the ventilators, and the front door was opened by the conductor every now and then, to admit a blast of cold damp air that chilled us to the bones. This was evidently only by way of a gentle reminder that he, the man with the brass plate, had a perfect right to do so. As nobody ventured to object—what's the use?—he repeated this little hint at frequent intervals during the journey. This was the only means we had of knowing there *was* a conductor on the vehicle.]

COTTON PACKER.—“Well, what can we do? I suppose it's too late to say any thing or do any thing—for that matter?”

MOLASSES MAN.—“Dry up, Jim Baggs! What do the likes of you know about revolutions and money matters.”

COUNTRYMAN.—“Leave your friend alone. He understands as much about both of them as is needful for him to know. He knows that ever since we've had paper money, the prices of every thing, but labor, have gone up. He knows that since we've had paper money, a few hundred men down in Wall Street have been making fortunes, likewise a few hundred men in public office, and a few more hundred in contracting; but the great body of the people, himself among the number, is poorer than ever. He knows this does not result from a state of war, because it did not result from any of the wars he can remember—the Mexican war, the Crimean war, or the Indian wars. And he knows that it *does* result from the paper currency, because he can't draw out the little gold he possibly put away in the savings bank some years ago; they will only give him depreciated paper; and a dollar of this depreciated paper will only buy half as much as the gold dollar would.”

COTTON PACKER.—“Look out, boys! That man is a witch! He knows too much. How would he know all that, if he wasn't?”

MOLASSES MAN (to Cotton Packer).—“Do you mean to say you've got money in the bank?”

COTTON PACKER.—“I was saving up two hundred dollars

to buy a lot up here in Harlem; but it was just as that man with the yellow coat says: When I took it out to pay for the land with, the man who owned it wanted three hundred and twenty-five for it; but he said, if I had it in gold, he'd take two hundred, the same as before. So I went back to the bank and asked 'em for gold, and they laughed at me."

MOLASSES MAN.—"And what did you do then?"

COTTON PACKER.—"*I put it back in the bank again!*"

[Here a loud laugh from the stock broker and a despairing sigh from our countryman, greeted the cotton packer's relation.]

COTTON PACKER (piteously).—"Well, what should I do with the two hundred dollars then?"

MAN IN BLACK.—"Buy hats! I'll sell you a——"

MAN WITH BUNDLE.—"Invest it in clothing! The market——"

DRY GOODS CLERK (from rear platform).—"Cotton goods is the thing! I could tell you of——"

BUTCHER (insinuatingly).—"Hides is pretty firm just now——"

FISHERWOMAN.—"With two hundred dollars you could put up the prettiest stand in Washington Market——"

STOCK BROKER.—"Pooh! pooh! friends, you'll drive the man wild. Stocks are the things to put money in; say two shares of— Eh? Don't you think so, friend?"

COUNTRYMAN.—"No. I ADVISE HIM TO INVEST IT IN GOLD, AND TO HOARD THAT AWAY."

CONDUCTOR.—"Harlem, gentlemen!"

And so we separated. As we moved away we heard the molasses man, with his arm round the cotton packer's neck, whisper to him: "*Jimmy, dear, lend it to me, my boy!*"

CHAPTER II.

Taking it Easy—Appearances Very Deceptive—Sudden Awakening—The Confidant Man Ruined—The Rogues Enriched—The Cry of Necessity only a Blind—The Lust for Power, and the Ruin it Works.

I REMEMBER on one occasion, during a voyage on the coast of England, a great commotion occurred on board the vessel I sailed in. The afternoon was calm and cloudless, the sea smooth as a mirror, the sun had just gone down behind a distant and scarcely visible headland, leaving behind a glorious refulgence in its path that spread itself on the waters, and bathed the scene in the most gorgeous colors. Surprised at the disturbance, I went forward and endeavored to learn its cause. The master was too much engaged to afford me any explanation. He ran about in an excited manner, talked sea jargon to the sailors, gave hurried orders, swore a good deal, and altogether behaved in a very unaccountable manner. The men were equally distracted. They ran hither and thither, pulling at this rope and then at that, hauled upon one, belayed another, and executed such a multiplicity of manœuvres, apparently wholly unnecessary, that I made up my mind they had all gone mad. All this time the ship seemed to be without motion, the sea unruffled, and the air at perfect repose.

At last I had a chance to interrogate one of the crew. He shook his head mournfully as I eagerly addressed him, and replied: "Drifting, drifting, sir, and if we don't get a breeze in half an hour we'll all go to pieces!"

Thoroughly convinced now that every mother's son of them was hopelessly crazy, I left them to indulge in their hauling and tacking to their heart's content, and, turning on my heel, sought my state-room. I locked the door, opened the little round window in the ship's side, lit a

segar, smoked leisurely for half an hour, threw the stump away, turned into my berth, and fell fast asleep.

Ten minutes afterward, the ship was a total wreck, and I barely escaped with my life.

All I had in the world was on board that vessel, and it all went down with her, while most of the ship's company contrived to save their effects, and *some of them such plunder of the vessel as they could readily lay their hands on.*

We had drifted on the fatal Goodwin Sands, and were only rescued by taking to the boats.

So, now, the danger that lurks beneath all the seeming prosperity that surrounds us, is seen but by the few, while the uninitiated, who form in this case by far the greater number, stand helplessly by, ignorant of what calamity is threatening, and unable to comprehend the signs and terms that presage or explain it.

Bewildered by the technical phrases of national finance, a science as profound as that of astronomy itself, and yet as capable of being reduced to simple illustration; we throw up our hands in despair of ever knowing enough of it to see what influence it can have upon our own private fortunes. We trust to luck, believe it will all come right, because it has never been wrong before, and because every thing looks fair; and devote ourselves to tempting moments of ease and luxury.

From this dream we awaken, to see all we had painfully labored and schemed for disappear in an instant; and as time closes over the gulf that swallowed up our effects, we have the additional mortification of perceiving that a few sharp knowing ones have not only saved their own property, but have taken advantage of the general confusion and distress to add to it.

The broad, simple principles upon which finance is reared, are not beyond the attainment of any intelligent mind, and it is a duty we owe to ourselves and our families—nay, to our country itself—to master them.

What amount of government bonds are disposed of; what amount of specie remains in the treasury; or what amount of supplies the country can furnish; afford no better criterion for determining the value of paper money,

than the knowledge of how many notes a man had got discounted, and how much money he had in his cash-box, and what quantity of stock he had on hand, would enable us to judge of his solvency.

There are other things that we want to know.

It is strange that a nation of shrewd men, who have always been stigmatized (whether justly or not, it is here not the purpose to inquire) for having an undue reverence of wealth, should be content to remain idle upon a matter which, more than any other, is capable of insensibly depriving them of all their substance.

And yet I am confident that this inertness is due less to a sense of fancied security than a natural diffidence to plunge into a subject disguised in an unintelligible language, and surrounded with a thousand shifts that cheat the judgment, and often lead the unprofessional reader astray.

Nevertheless, these very men are most intelligent upon ordinary business topics, are thoroughly acquainted with the details of traffic, are ingenious managers, and successful merchants.

To sufficiently understand the subject of national finance, and bring home its influence to our own doors, it is only necessary to state a few elementary facts, and furnish a few apt illustrations. If the facts are capable of easy proof, and the illustrations familiar, a ready understanding will easily perform the rest.

A man, to whom two years ago I lent a dollar, with which I then could purchase twelve pounds of sugar, returns it to me to-day, when I can get but six for it. The dollar I loaned him was of gold; the one he pays me, of paper. The law justifies him in using this paper, and the same law compels me to take it. Yet it is clear I lose six pounds of sugar. This law, therefore, has quietly filched from me half of my property, and still I read of many more similar enactments being prepared, and read of them with indifference and unconcern. I allow myself to be persuaded, by some ignorant or interested friend, that it can't be helped, that it is a necessary consequence of a state of war, that it is only my share of the general

loss, or that it is unpatriotic to wish for a different state of affairs.

And yet it can be helped ; it is not a necessary condition of war ; it is perhaps a hundred times my share of the general loss ; and a man is either a knave or a fool who would have such a ruinous situation of affairs to continue.

With all our adoration of the almighty dollar, we have yet to learn, and learn in desolated fields, idle marts, and deserted factories, what a dollar is, and wherein lies its value.

With all the perfection to which we have brought the credit system, we have yet to learn, with an immense population of unemployed laborers, and destitute paupers, and a few arrogant moneyed aristocrats, to what extent the great bubble of paper expansion is capable of being blown.

Fanned by unscrupulous politicians, ambitious of power and wealth, or perhaps merely the lust of conferring or dispensing it—fanned by long-headed financiers, who, for the most part, will wax rich upon the spoils, and form a future class of wealthy landed proprietors to tyrannize and lord it over the poor—fanned by contractors, speculators, army sutlers, and go-betweens, who, when they have made all they can, will clear off to Europe, to purify their characters and dissipate their gains—fanned by a legion of knaves who all have axes to grind, and only want a little more time and a little more opportunity to grind them in—and fanned by the poor clown who lends a hand at the bellows because it is exciting, or because he has nothing else to do, and knows not that all the time he is contributing to his own ruin—the great paper bubble will burst at last, and inflict upon the country all the long agonies of financial distress.

And why not prick it now ?

Will it be contended that the safety of the country depends upon a system that substantially robs the many poor to benefit the few rich ? Or will it be argued that it would be a shame that Mr. So-and-so, who nobly came forward and helped the country in the time of her need, (and made fifty per cent. per annum on his investment), should suffer.

Was this government intended to benefit the masses, or elevate a class?

Did Mr. So-and-so, when he turned from secure investments at five per cent., and dipped into speculative ones at fifty, not know the risk he was running, and take it?

The whole delusive system may fall to-day, and the sun would rise to-morrow as before; the tide would ebb and flow; the seed would germinate its kind; the little birds would sing; and the whole nation would arise and go forth upon its march of progress, freed from a burden that fettered all its movements, and drew it down to servitude and distress.

CHAPTER III.

Coral Islands and How they are Built—Pluto—The Tub whose Bottom fell out—What a Dollar is—Showing how a Merchant may Lose while he Thinks he is Gaining.

It is well known that there exists in all parts of the world, but particularly in tropical seas, an immense number of islands and reefs, which have been built up from the floor of the ocean by little animals called zoophytes, or, more properly, polyps. We call these coral islands, or coral reefs. They extend, in some instances, in unbroken barriers for hundreds of miles, with deep sea soundings immediately off their shores; and yet they are all formed by the calcareous secretions of insects that can not live below a certain very limited depth of water, for their existence depends upon physical conditions of light, heat, pressure, etc., appropriate to their organizations.

Until lately, this strange matter defied solution. How could these animals build up islands from the bottom of deep seas, when they could not retain life except in comparatively shoal water?

It now appears, however, that when these islands were formed, the bottom of the ocean where they are located was nearer to the surface than it is now, or, in other words, the sea was more shallow. The bottom, from volcanic or plutonic action, has gradually fallen down, while the zoophytes were gradually building up; and curious instances occur where Pluto got much the better of the operation, and the clever little workers were quietly drowned before they could manage to gain the surface.

So in the system of finance which the rash advisers of this government have bestowed upon the country, there are countless clever busy little polyps who work industriously night and day to build up fortunes that will at

no very distant time suddenly disappear beneath an ocean of bankruptcy and ruin, while the little polyps will be as ignorant of the cause of it as the now fossilized zoophytes are of the means that overwhelmed them.

The plutonic action is as surely at work with the one as the other, with this difference, that while it *may* occur to the islands, it is *sure* to happen to the currency.

Some of our polyps are abundantly aware of this phenomenon, but think themselves respectively sagacious enough to read the signs of the times, and sell out before the catastrophe happens. Others deny that Pluto is below, and have an abiding faith in five-twenties, and other long mortgages on posterity and the hopeful future. By far the greater number though are very much puzzled on the whole subject, and would be very glad to have it properly cleared up, so that they might know how to act in the matter.

But this must be done in a deliberate and careful manner, else conviction fails to be brought about, and some of the legion of sophistries that environ this question will make head again. Conclusions that are jumped at are easily combated—just as a house that is too quickly built is likely to fall before a moderate blast—but those that arise from mature reflection resist attack as firmly as the enduring pyramids themselves.

No man should flinch from an examination of this important question, for in it is comprised not only interests of an immediately pecuniary nature, but life itself, liberty, and the pursuit of happiness.

At a meeting held on 21st ult., the proceedings of which have just been published in the morning journals, Hon. Hugh McCullough, Comptroller of United States Currency, stated, in effect, that the Government was deeply concerned to have the national banking law in full operation at as early a moment as possible, as thereby it hoped more effectually to bind the several States to a unity of policy and interests,* and so render them

* Henry Ward Beecher said, in a sermon published in the *Independent*, August 8, 1863, that *Union, in the sense of identity, of belief, faith,*

more subservient to the designs of the central management at Washington. The mere effect, too, of circulating immense quantities of United States paper among the people was considered beneficial in this, that it would make them more dependent on the Government, and, consequently, more disposed to acquiesce in any measures it may see fit to pursue. In other words, the introduction of this currency is to be reduced to the simple proposition of abolishing all local power and legislation, and vesting those high attributes entirely in the central Government.

Sieyes used to say: "Confidence should come from below—power from above." This was the principle that distinguished the constitution of the French Consulate, and which, though precisely the reverse of that which is commonly supposed to have guided our forefathers, appears to govern our present rulers as well. But the Consulate led to the Empire. Beware that these extraordinary measures of finance do not lead us to the same goal.

"*The extremity of that day can not be anticipated,*" said Mr. Dallas, our Secretary of the Treasury in 1814, in a report of that year, "when any honest and enlightened statesman will again venture upon the desperate expedient of a legal tender law."

Money is stamped metal, generally gold, silver, or copper, used in traffic, or as the measure of price; coin. —*Worcester*. Money is coined metal upon which its value is stamped in figures, or affixed by law to its name. —*Locke*.

Dollar is the name of a United States gold coin, weighing, according to act of Congress, about twenty-five and four-fifths grains, troy weight, of fine metal. As the same act establishes the relative value of silver and gold to be as one is to fifteen, it follows that an ounce troy of silver, about three-fourths pure, is also a dollar.

And nothing else is money. No quantity of any other

government, and usage, is not only impossible to mankind, but it never could be made to be, and if it could, would be more a source of misery than happiness. Mr. Beecher is right.

substance is money. It may be worth money, but it is not money itself. No amount of promises can constitute a dollar, because a promise is never equal to a reality. Nor can any thing be permanently worth a dollar that is more easily or commonly produced than a dollar is. And the reason is obvious, for the various quantities of gold or silver that go to form the dollar require each of them, for their production in the form of coin, about the same amount of time and labor that any other product does which a dollar can buy. In other words, the miner, refiner, and coiner, expend as much time and labor upon that dollar as the agriculturist or mechanic does upon any production they are willing to exchange for it. It will thus be seen that in buying and selling we only exchange the product of one sort of labor for that of another.

But one set of your Plutos will tell you that the term dollar is an abstract one, and that it can be as well made of a piece of paper or leather, as of twenty-five and four-fifths grains of gold. To this class belongs Mr. Alfred Lutwyche, of Birmingham, Mr. McPhinn, of Glasgow, Mr. Erskine Hazard, of Philadelphia, Mr. Eleazar Lord, of New York ; theorists who have advocated paper schemes similar to those of the notorious John Law. Secretary Chase has only adopted their speculations. They are blind to the fact, that, if dollars were abstractions, they could be produced in illimitable quantities, for abstractions are but too plentiful now-a-days. This fact, and the one that they are always the result of labor, and can't be increased, as paper can, by legislation, or, indeed, by any other means than working for them, ought to be conclusive.

Another set of these money-asters will admit that a dollar is not an abstraction, and that it is as much the product of time and labor as corn or cotton, but contend "that it depends for its peculiar value simply upon opinion or conventional agreement—that value being extrinsic—a something imparted to it by common consent." See a long article advocating this absurdity in last month's *Blackwood's*. They forget the great intrinsic value of the metal which is commonly used in all the arts, and so becomes absorbed in vast quantities.

But Secretary Chase knows full well that, in exchanging worthless paper for the products of honest men's labors, he is not only draining the country of its only wealth, under color of law and pretense of patriotism, but is delivering it, bound forever, hand and foot, to the triumphant chariots of a moneyed aristocracy. Those provisions of our law which wisely put a limit to individual wealth are already disregarded, and will soon be entirely forgotten. Then we shall have, as in England, 150,000 holders of National Obligations, which the rest of the nation will have to toil, night and day, in sickness and terror, to pay the interest on, and yet always continue to owe the principal; a species of slavery far more abject than the one we are now laboring to destroy.

It is difficult to convince a man who buys a thing for a dollar and sells it for a dollar and twenty cents, that he is ruining himself; and just as incredulous would be the polyp who had watched the gradual progress of his island, if he were told it was farther from the surface than ever. But one is as easy of demonstration as the other.

Let us suppose a merchant to own, before the issue of greenbacks, a thousand pounds of coffee, worth, as it was then, about 16 cents a pound. He sells it for 20 cents, and thus makes 25 per cent. profit. This pays very well; for the expenses of his business and his living only amount to 20 per cent. of it, and he can lay by 5 per cent. savings. Meanwhile coffee advances in price. It now costs 20 cents, but as he can sell it for 25, he makes another profit of 25 per cent., which, for the very reason that the price has advanced, amounts to more than 25 per cent did before; and so the lucky polyp becomes the envy of his friends and a living rebuke to foolish old women who hide away gold and silver in old worsted stockings. Let us imagine him to have repeated this operation to the present time, when the price of that staple is 40 cents:

Buys 1,000 pounds of coffee at 16 cents	\$160 00
Sells at 20 cents; profit	40 00
	<hr/>
	\$200 00

Price advances to 20 cents.

Lays out the \$200, and gets for it 1,000 pounds of coffee at 20 cents ; sells at 25 cents ; profit	50 00
	<hr/> \$250 00

Price advances to 25 cents.

Lays out the \$250, and gets for it 1,000 pounds of coffee at 25 cents ; sells at 31 1-4 cents ; profit	62 50
	<hr/> \$312 50

Price advances to 31 1-4 cents.

Lays out the \$312.50, and gets for it 1,000 pounds of coffee at 31 1-4 cents ; sells at 39 1-16 cents ; profit	78 12
	<hr/> \$390 62

Price advances to 40 cents.

Lays out the \$390.62, and gets for it 976 1-2
pounds of coffee, at 40 cents.

It will be seen that though he has turned his stock four times in two years—though the price is two and a-half times greater than before, and though he has made \$230.62 in profits, all of which has gone back into his business, he *has to-day less coffee than he had at the start, while he has not paid for his store expenses or the maintenance of his family.*

Such are thy ways, O Greenbacks ! Such thy destiny, O Polyps !

CHAPTER IV.

The Report of the Secretary of the Treasury—The Four Knaves—The National Game of Poker—\$4,000,000,000 the Greatest Amount we can ever Owe—The Situation—Limits.

THIS document is now before the public. From its great importance in a time of war, far transcending that of the Message itself, or any of the papers that usually accompany it, the nation always looks for it with great interest and anxiety. It comprises the balance sheet of the great ledger of the country. Upon its pages are inscribed the unerring figures that tell us of our prosperity or adversity, our wealth or our poverty, our resources and our debt; and as we trace its great columns of numerals, one by one, we come at last to the grand total that, with portentous brevity, points to failure or to success. The preparation of this great synopsis of accounts requires more consideration, more care, more time, more exactness, and more experience than any other public document. It is the only one that absolutely requires technical knowledge. The Message, the reports of the Secretaries of the Army, Navy, State, and Interior, may be written by politicians, and very creditably too; for, now a-days, it is not at all necessary for these officers to know any thing about the departments over which they preside; but the report of the finances of the nation requires for its preparation very comprehensive faculties, and a long familiarity with accounts.

Knowing full well that wealth is but comparative, we expect, in this report, side by side with the figures that represent our debts and liabilities, to find those that remind us of our present wealth, and those that estimate for us our future resources; we expect opposite to an

exact statement of current expenses an equally exact statement of current income ; if there is an overplus, we look for a recommendation of how to dispose of it ; if there is a deficit, we require to know how it is to be made good. In a word, we want a balance sheet ; we expect it to be arranged in tabular form, brief, exact, and, above all, perfectly clear.

We have carefully read the report which Mr. Secretary Chase has submitted, through the President and Houses of Congress, to the people of the United States, and we never, NEVER saw such a balance sheet before. We defy any merchant, we defy any banker, we defy any expert, to show us from its statements what the financial condition of the country is to-day ; we defy anybody to reach any conclusion of his own. And this is, doubtless, the intention of the document ; for it compels the despairing reader to accept those already laid down for him, as the juggler compels the neophyte to take unconsciously the very card which he intended for him.

The careful reader will be able to pick out the following items from as many different parts of the report :

AMOUNT OF PUBLIC DEBT AT VARIOUS PERIODS.

July 1, 1862.—Actual	- - -	\$508,526,499
" 1863.—Actual	- - -	1,098,793,181
" 1864.—Partly actual and partly estimated	- - -	1,686,956,641
" 1865.—Estimated	- - -	2,231,935,190

These four sums, disconnected in the report, and here for the first time brought together, are really the only ones in the whole document that are worth a moment's consideration. The others, in whatever light they may be regarded, and in whatever connection they may be placed, only lead to confusion. *These are the four knaves in the pack, for not one of them is honest ; and not one of them includes the amount of greenbacks which the Secretary has now in circulation, nor the amount of that and other circulating paper which he intends to have, the whole already amounting, or soon to amount, to many hundred millions of dollars.*

Nor do they include the amount of debt on open account on their various dates. For instance, there was due July 1, 1863, the date of the last "actual" statement, to the army alone, the sum of \$600,000,000. This amount has been paid since, and consequently was not included in the statement which was made up to the 1st July. Similar items of equal magnitude have been omitted in the budget of the current year and in that of the following one, in order to keep the figures down.

The omission of these great items of account are on a par with the assertions of the Secretary that the average rate of interest upon the whole debt of the country is but little over three per cent. per annum. It requires no argument—no reminder that U. S. 6's have been sold by Mr. Chase at 83—none that the whole immense volume of national paper which now floods the country was given for supplies at from 25 to 100 per cent. over specie prices—to prove the hollowness of this pretension. The very facts that there never has been a day when Mr. Chase would not have been glad to borrow at 10 per cent. that even now he is offering 6 per cents (in gold, too,) at par, and that the gold market went up 5 per cent. in the teeth of his report, show the fallacy of his claims to having established a sound and economical system of finance.

Taking the estimate of debt on 1st July, 1865, and adding to it the amount of paper now in circulation, and a round sum for non-estimated debt, and still another round sum to make good the probable deficiencies in the Secretary's estimates, let us see what the total debt is likely to be, and then let us see what means we have to create it. For it must always be remembered that our outlay for expenses of the Government, war, etc., is limited by the amount of surplus wealth we possess, except, indeed, we can borrow from abroad, which is not the case in this instance;* it being very obvious that though a

* See Diplomatic Correspondence just published. Letters from our ministers abroad declaring that foreigners will not invest in American securities.

contractor may be willing to sell all his munitions of war for paper promises, the time must come when he will have sold to the Government all there are, and then the war must stop. Active operations against the enemy can not be carried on with greenbacks alone.

We present these tables in order to complete the palpably deficient report of the Secretary, with a respectful recommendation that he will embrace them in his next. The figures may be relied upon :

JULY 1, 1865.

Amount of debt according to the estimate of the Secretary of the Treasury	-	\$2,231,935,190
Amount of legal tender, and fractional currency now in circulation, and not included in said estimate	- - - -	500,000,000
Estimated amount of arrearages to army, navy, and contractors, that will become payable at the above date over and above the estimate of the Secretary	-	968,064,810
National Bank Note currency that will be in circulation by that time	- -	300,000,000
Grand Total*	- - -	\$4,000,000,000

And now let us see what our resources are that will enable us to use up \$4,000,000,000 of war material, food, clothing, ships, and so on. The idea that they are illimitable, and that those of the enemy are nigh exhausted, is zealously put forth by the Administration upon every occasion ; and leads to total error and misapprehension. The Southern States possess resources but little inferior to our own in point of value, and superior in availability, provided their commerce was open ; but as they cannot use their cotton, tobacco, sugar, and turpentine for war purposes, and during the blockade cannot exchange them for anything else, their means are very much restricted. These facts can be found on page 195 of the Census. We

* This estimate was indorsed by Thurlow Weed in his letter to the Ex-Governor Morgan, January 29, 1864.

cannot expect that Mr. Lincoln, who is a country lawyer, or Mr. Chase, who never was in a bank in his life, and is utterly ignorant, as the *Tribune* admits, of the very elements of finance, to understand these things. Hence all the trouble.

Assessed value of Real and Personal Estate in 1860 in all the States now (1863) under Federal control, and mentioned at length in the table that follows :

Real Estate	-	-	-	-	-	\$5,111,174,306
Personal Estate	-	-	-	-	-	2,618,888,977
Total	-	-	-	-	-	<hr/> \$7,730,063,283 <hr/>

True value of Real and Personal Estate (together) in 1860, as per Census Table 35, page 195.

California	-	-	-	-	\$208,874,613
Connecticut	-	-	-	-	444,274,114
Delaware	-	-	-	-	46,242,181
Illinois	-	-	-	-	871,860,282
Indiana	-	-	-	-	528,835,371
Iowa	-	-	-	-	247,338,265
*Kansas	-	-	-	-	31,327,895
*Kentucky	-	-	-	-	666,043,112
Maine	-	-	-	-	190,211,600
Maryland	-	-	-	-	376,919,944
Massachusetts	-	-	-	-	815,237,433
Michigan	-	-	-	-	257,163,983
Minnesota	-	-	-	-	52,294,413
*Missouri	-	-	-	-	501,214,398
New Hampshire	-	-	-	-	156,810,860
New Jersey	-	-	-	-	467,918,324
New York	-	-	-	-	1,843,338,517
Ohio	-	-	-	-	1,193,898,422
Oregon	-	-	-	-	28,930,637
Pennsylvania	-	-	-	-	1,416,501,818

* Partly ravaged by war or now in the possession of the enemy, but about balanced by portions of Louisiana, Mississippi, Tennessee, and Virginia, now under Federal control.

Rhode Island	-	-	-	-	135,337,588
Vermont	-	-	-	-	122,477,170
Wisconsin	-	-	-	-	273,671,668
*District of Columbia	-	-	-	-	41,084,945
Nebraska Territory	-	-	-	-	9,131,056
Utah Territory	-	-	-	-	5,596,118
Washington Territory	-	-	-	-	5,601,466

Grand total value of Real and Personal
property - - - \$10,936,636,193

And now with both statements of means and requirements before them, we leave our intelligent readers to draw their own conclusions. It will be remembered that more than half of these 10,000 millions are in real estate, and the greater part of the remainder in such property as can not be parted with by the nation. It will also be remembered that from this wealth all our expenditures MUST COME. *We may get in debt to each other, but we cannot wage war with debt.* War requires powder, shot, cannon, ships, food, clothing, men, horses, and equipages.

Since 1860, the date of the Census Report, no material change has taken place in these figures; certainly no addition to them. As for the future, it will hardly be maintained that the nation, already reduced by levy and conscription, and become extravagant through sudden transfers of fortune, is doing any more than holding its own.

Now glance once more at the confused and shuffling report of Mr. Secretary Chase, and compare it with this plain unvarnished tale. Does it, in all its devious windings, give even the most transitory glimpse at the true state of affairs?

We confess it with shame—it does not.

Is this, then, the sort of State paper our anxious, bleeding nation looks for, at a moment when an exact knowledge of her ways and means is an absolute requirement; when

* Partly ravaged by war or now in the possession of the enemy, but about balanced by portions of Louisiana, Mississippi, Tennessee, and Virginia, now under Federal control.

to know just how far she may stretch the cord of national power, with safety, is a question of success or defeat, of life and death? Is it proper to lay before members of Congress a report, essentially of a technical nature, and one upon which they are expected to base the most vital and important legislative action, and yet which is in such an incomplete and a confused state as the one before us? Or does the Secretary expect to carry every thing before him by the mere force of impudence, and lead the nation by the nose to the pit he is preparing for her?

Perhaps so! But, happily, there is a limit to all this, and, as the above figures show, we don't appear to be far away from it.

That limit is FINANCIAL RUIN

CHAPTER V.

Opinions of Shoddy—Is thy Servant a Dog?—The Course that Ends in Disgrace and Ruin.

THE journalist who confines himself to the compilation of news exerts but one of the many useful functions of his profession. Of what use would it be to the readers of this column to learn the daily or weekly fluctuations in gold, or government funds—in railroad stocks, or mining shares? What ideas of political economy would these details engage? What good purpose would the knowledge of them serve?

Our point of view is a more elevated one. We stand where we can look back over the whole ground this subject has traveled; we see what position it occupies now; and we look forward to the dismal passes to which the mad, fanatical career of this Administration is driving it.

It is only from a standpoint like this that an intelligent consideration of a matter of such magnitude can be gained.

Last week we laid down the following proposition :

That, assuming that no surplus wealth had been or would be earned by the nation during the war, and assuming that little or none of our paper is or would be held abroad, *the creation of Government debt is limited by the amount of disposable wealth which the nation possessed when the war broke out.*

We then proceeded to show that, according to the very liberal estimate of the last census, the whole amount of surplus wealth in the States now under the Federal flag was \$10,936,636,193.

Of this, some two-thirds represents the real estate, which cannot be disposed of outside of the nation. The

balance includes not only such property as may be shipped abroad, but much that could not be parted with, such as personal effects, and other articles of an unmerchantable character.

We then showed, mostly from Mr. Chase's estimates, and partly from items of account which he neglected to include in his report, that, if the war continued until July 1, 1865, the national debt would be 4,000 millions of dollars.

Hence, we concluded, the war could not last till then, for we shall, before that time, have arrived at the natural limit of administrative dissipation—financial ruin.

For this we have been assailed from all quarters. Hear the critics :

STOCK JOBBER.—Read your article, sir. Mere nonsense, sir. Talk about *ruin* with Erie at 107 and Central at 133, and “short” of both stocks ! Made \$150,000 in six months, sir ! Call that ruin ?

INTIMATE FRIEND.—Come, now ; confess that this is only a part of the clap-trap that belongs to all professions. This note of alarm amounts to nothing more than a party *ruse*. Look at the immense wealth of the country, sir. Look at the vast gold mines in California !

NEGRO FANATIC.—That man who would throw any impediment in the way of a vigorous prosecution of the war is a traitor to his country. War to the bitter end, say I. War, war, war, till every vestige of slavery is forever extinguished ! Talk about limits to national means. Ought to be strung up as an example, sir !

BUBBLE BLOWER.—Greatest nation in the world, sir. All we want is a uniform currency——

BROKEN-DOWN WILD-CAT DISTRIBUTOR.—And a first-class Bank Note Reporter.

NATIONAL BOOBY.—No use arguing against Chase. Greatest financier in the world, sir. See how he has increased our debt from a mere nothing in 1860 to some \$1,500,000,000 at the present day. Genius ! Why, sir, the tax he proposes to put on the gold mines alone will pay the whole cost of the war. Great man, sir.

OFFAL CONTRACTOR.—Limits, indeed ! If you only

knew the value of all the dead horses killed in battle, you'd find that alone would pay for all the fighting.

VETERAN OF 1812.—You forget what England did in the Pitt war. Hey! What? Wealthier country? Wasn't aware of it, sir. Borrowed from continental capitalists? Wasn't aware of that, either. Anyhow, we could whip the South, if we'd only appoint experienced officers.

MAJOR-GENERAL ON FURLOUGH.—Always the way with civilians. If they'd only let the army alone, we'd be continually in war, and we'd have the best disciplined army in the world. Could whip all creation. If all such men were drafted, and had to go through the hardships we have, it would purify the country. No man is a patriot who doesn't fight. The only thing I like about the article is concerning the arrearages to the army. I can tell you, sir, if the troops are not paid punctually, and paid well, there's an end to the war.

WIDOW AND ORPHAN.—It's really too bad of you to write such things. Sir, if the Government funds should depreciate we would be ruined. Our little all is invested in them.

MORTGAGEE.—What! not get back my money! You're a traitor, sir.

LABORER.—I thought I couldn't be much worse off, for I haven't a dollar in the world, and I often think of taking the \$800 bounty, and fighting for my country. But if the time is to come when labor will go a-begging in this, my native land, then, sir, I'm off to Canada or Australia to make a living. Stir 'em up with a little Yankee enterprise, sir.

SEAMAN.—What's finances got to do with the war? Here's my platform. We passed it at a meeting we held on the 14th of this month, at the Blue Anchor, in Cherry Street:

Resolved, That all American seamen are invited to keep out of the navy until some rule is adopted which will enable a man to get his prize money when he applies for it.

Resolved, That we make short or long trips in merchant vessels, as the case may answer us, until our demands are satisfied, and that we speak to every sailor we know, and request him to do the same.

SOLDIER.--Greenbacks are good enough for me. When they aint, I'll desert, that's all. Can't expect a man to live on rations. As for them as talks down the currency, they ought to be hung.

And so on.

We shall, nevertheless, continue as we have begun. When the nation comes to its senses, we are confident the course we've pursued will be better appreciated.

Leaving the proposition repeated above, and which we adhere to in every line, let us descend for a moment to the details of the wonderful report which this great Secretary of the Treasury, who had never seen the inside of a bank or a counting-room, has given us.

SPECIE PAYMENTS.

The document contains this bland assurance: "Nor does he doubt that the national currency can be so approximated in recognized value, to coin, that a resumption of PAYMENTS IN SPECIE can be brought about much sooner than even sanguine persons now permit themselves to hope."

Bismah, Allah! Are we fools! Does the slave laugh at our beards! Did not the gold market go up five per cent. in the face of this statement? Is not the currency already three times greater than the largest amount of gold there ever was in the whole thirty-three States and all the Territories? Will gold flow into a country that has no surplus to give for it? Did gold ever mingle on a par with debased paper? Will anybody give gold for those things which have been valued by a paper standard?

RATE OF INTEREST.

The Secretary states the average rate of interest on the public debt to be as follows:

July 1, 1862.	Average rate	4.36	per centum.
Jan. 1, 1863.	"	4.02	"
July 1, 1863.	"	3.77	"
Oct. 1, 1863.	"	3.95	"

This result is attained by incorporating the circulating paper, which bears no interest (but which was given to

contractors and others for supplies at a high rate over its specie value); with the bonds that do, and then "averaging" the whole. This is equal to giving your promissory note of \$100 for a loan of \$90 or less, and then boasting that you pay no interest on it! Did ever such a fraud, as this man is, impose upon a helpless, gullible people before.*

SOURCES OF REVENUE.

The following are among the many recommendations of the Secretary:

1. Increase of tax on bank note circulation (local and national, with a discrimination in favor of the latter) to within a fraction of three per cent.

2. Increase of duty on distilled spirits to sixty cents per gallon.

3. Increase of duty on tobacco to twenty cents per pound on leaf, and five to twelve cents, according to quality, on manufactured.

4. A duty of ten cents per gallon on crude petroleum.

5. A duty of two cents per pound on cotton.

6. Repeal of tobacco and petroleum drawbacks.

7. *Deposits with Treasurer and Assistants, of all moneys paid into, or invested under the order of, judicial courts.* As this provision is a very dangerous one, the more so that it concerns a class of persons who would not look in Mr. Chase's report for it, we italicize the proposed measure.

8. Repeal of limit to deposit loan (which is now \$100,000,000), with the single requirement that half the deposits only shall be used.

9. Tax on produce of mines.

With these little arrangements, the Secretary expects to raise \$900,000,000, which is the amount required for the balance of this year, and the whole of 1864.

Increase of taxes is not increase of capital. The Secretary will find the same deficit in the internal revenue

* This view of Mr. Chase's interest "average" is supported by Mr. James Gallatin, President of the National Bank of New York, in a pamphlet published a month later.

that he found last year when he estimated it at \$85,000,000, and it only yielded \$37,000,000. Tax one industry too much, and it is diverted into another. Tax the other, and it disappears.

Had a vigorous tax been levied with proper discrimination at the beginning of the war, the result might not have been so bad. We should all have suffered in ratio to our means. Instead of that, the poor will have to bear nearly the whole burden. But no system can support such an extensive war, as we have undertaken, from the coffers of a young and comparatively poor nation.

The end is not far off. But it will be a different end from what most of us expect.

It will be NATIONAL HUMILIATION AND FINANCIAL DISGRACE.

CHAPTER VI.

Confidence Operators--Seducers--Our Debt prior to the War, and our Debt now--A Sensation Programme--Stand from Under.

THE trial of the great Saxton case has just been concluded with the conviction of the accused.

Saxton was tried for having, by false pretense, swindling, and every wicked art that man is capable of, defrauded the plaintiff, Champion, of nearly his entire fortune, which was, at the time they became acquainted, of considerable magnitude.

It was through his pretended piety, and the masterly, comprehensive views he appeared to possess of business matters, that enabled the swindler to thoroughly ingratiate himself into the confidence of Champion. He went to church with him, played the philanthropist, secured his legal business (for Saxton was a lawyer), led him to invest large sums in a fictitious concern called the UNION COMPANY; and so little by little managed to deprive his victim of all his wealth.

Boldness in crime will sometimes challenge admiration, but society never wastes sympathy upon this class of criminals; and the further their evil operations extend, the more general will be the indignation and detestation evoked. The man who kills one brother may be deified when he slaughters ten thousand of them; and he who ruins a family may become a hero when he destroys a nation. But this is not the case with him whose devilish ingenuity filches away the hard-earned gains of his fellow-men. Saxton may suffer a few years' imprisonment, but Law had to fly from France for his life. Saxton cheated a man, but Law defrauded a nation. Hun-

And the following one shows what it was on the 30th of September last :

Loan 1842	- - - - -	\$242,620 75
" 1847	- - - - -	9,415,250 00
" 1848	- - - - -	8,908,341 80
" 1858	- - - - -	20,000,000 00
" 1860	- - - - -	7,022,000 00
Texas Indemnity	- - - - -	3,461,000 00
Treasury notes, issued under acts prior to		
1857	- - - - -	104,511 64
Treasury notes, act December 23, 1857		12,900 00
Dec. 1860, 1-year Treasury notes	- -	1,600 00
Feb. 1861, 10 to 20-year notes	- - -	18,415,000 00
March, 1861, 2-year notes, six per cents		512,900 00
March, 1861, Oregon war debt, 20-year notes		1,016,000 00
July, 1861, 20-year sixes, sold at 89	-	50,000,000 00
Aug. 1861, 3-year seven thirties	-	52,725,350 00
Sept. 1861, 3-year seven thirties	- -	86,953,650 00
Aug. 1861, Demand notes	- - -	2,022,173 00
" 20-year sixes	- - -	320,000 00
Feb. 1862, Legal tenders, or "Greenbacks"		147,767,114 00
" 5 to 20-year 6 per cents	-	278,511,500 00
" Demand notes, ten days' notice		104,934,102 70
March, 1862, 1-year 6 per cents	-	156,918,437 49
July " Legal tenders	- -	150,000,000 00
" Postage shinplasters, payable on demand	- - - -	17,766,056 00
March, 1863, Legal tenders	- -	104,969,937 00
Amount borrowed from banks, Sept. 1, 1863		50,000,000 00
Amount of unpaid war debt, outstanding on Sept. 30, 1863, estimated at	-	500,000,000 00
Total	- - - -	<u>\$1,772,000,444 38</u>

Of which there was due ON DEMAND, or after a short time :

Loan of 1842	- : - - -	\$242,620 75
Treasury notes, prior to 1857	- -	104,511 64
" " act December 23, 1857	-	12,900 00
" " " 1860	- -	1,600 00

Treasury notes, act March, 1861	-	-	512,900	00
Demand notes	-	-	2,022,173	00
Legal tenders	-	-	402,737,051	00
Demand notes, ten days' notice	-	-	104,934,102	70
One-year sixes, March, 1862	-	-	156,918,437	49
Postage currency	-	-	17,766,056	00
Unpaid debt, on open account—estimated	500,000,000	00		
Amount due banks, on open promises		50,000,000	00	
Total	-	-	\$1,235,252,352	58

Here, then, we have *a debt of 1,235 millions, payable on demand, or falling due within a very short time*, and a funded one of some 537 millions, nearly 100 millions of which fall due in less than two years. Yet, in spite of all this, the luring wooer talks of a speedy return to specie payments. This is the promise of marriage, the false bait thrown out to catch a nation's further confidence.

The figures given above are upon Mr. Chase's own authority, except the estimated debt due to army, navy, and other sources, which is put down at 500 millions. Reduce this item to 100 millions, for the sake of argument (100 millions it has been estimated to be by one of the Wall Street pets of the Treasury Department*), and we still have a debt, *due on demand*, of 835 millions, and a funded one of 537 millions on 30th of September last, and the war still running on.

Now divide this three years' debt of 1772 millions by three, and we find it to be equal to 591 millions a year, or nearly two millions for each working day; \$200,000 for each working hour; \$3,333 for each working minute; or \$55 for each working second. Counting the population under the Federal flag at 20 millions, this sum of 1772 millions imposes a debt of nearly \$90 on every man, woman, and child. As the able-bodied men number one in five, the debt already imposes \$450 on every working man in the country.

* Thompson's Bank Note Reporter.

And yet the puppet-puller hangs out his programme of :

National Bank Note Currency,

FIRST APPEARANCE IN THIS OR ANY OTHER COUNTRY!

ENTIRELY NEW DESIGNS,

EXECUTED BY FIRST-CLASS ARTISTS!

FIVES.

TENS.

TENS.

TWENTIES.

TWENTIES.

TWENTIES.

FIFTIES.

FIFTIES.

HUNDREDS.

POSITIVELY THE LAST APPEARANCE OF THE

STATE BANKS.

IMMENSE SUCCESS OF 5.20's!

ONLY

A FEW DAYS LONGER WILL THIS

GREATEST FINANCIER THE WORLD EVER SAW

HOLD OUT THESE

ATTRACTIVE INDUCEMENTS,

FOR HE EXPECTS

TO GO INTO THE PRESIDENTIAL CHAIR ON THE 4TH OF MARCH, 1865!

Oh, the wiles, the mean shifts, the petty arts, the contemptible stratagems that have been used to create this

debt, and that are still used to conceal it! Oh, the hollow appeals to patriotism, like Saxton tempting his victim to invest in the UNION COMPANY (inauspicious name). Oh, the mean conversion of Government sixes at 89 into seven per cent. stock at par! Oh, the low subterfuge of counting the temporary loan as part of the funded debt, when it is payable at ten days' notice! Oh, the little cunning of saying nothing about the fifty millions due the banks, nor the immense debt (from 100 to 500 millions) due on open account! Oh, the deceit of claiming the merit of effecting a series of immense loans at three per cent. interest, when less than six per cent. has never been offered on it, and much of it was placed at twelve, and over! Oh, the heartlessness of complacently assuring the nation after all this, that the finances of the State were never in a more prosperous condition!

Some day or other this country will awaken from its dream of Forcible Union, and will see the means that have been employed to hound it on to financial ruin—the immense prices paid to contractors—the winking at illicit border traffic, in order that greenbacks might find a more extensive market—the intimations to favorites at stock boards—the premiums paid to banking officers to invest their depositors' funds in five-twenties—the many promises dishonestly made and dishonestly broken about specie interest—the *restrictions placed upon the trade in gold, in order to deceive the country as to the real relative value of the paper*—the legal tender act—the national bank act—and the many other ruinous schemes that have been put upon us.

Then, smooth financier, beware the wrath to come, and all ye who now with oily words uphold him! for you will not be able to change your politics quick enough to escape it. Then, vain impostor in a science you use only to debase, look for no mercy, for justice will be inexorable. Then, Saxton, stand from under, for the time is come!

CHAPTER VII.

The Kitchen Cabinet and its COOKS—Financial Negromancers—A Swindling Operation—The Rush to Get Rid of Greenbacks for Property—Effects of Tampering with the Currency—Transfusion.

THE \$50,000,000 due to the associated banks on open account, is now being paid by the Government in installments. The payments are made in the five per cent. interest-bearing Treasury notes issued under the act of March 3, 1863. These notes are made a legal tender for their face value, excluding interest. This adds so much more to the amount of public debt, as stated by Mr. Chase, but no more to the aggregate we made in last week's RECORD, for we had the honesty, which Mr. Chase had not, to consider that we owed the \$50,000,000, as well before, as after, we had given the nation's notes for it.

A broker or speculator, by the name of JAY COOKE, who has figured a good deal of late in the telegraphic summaries from Washington, and who is the confidential friend and adviser (so says the *World*) of the Secretary of the Treasury, announces that he will receive \$35,000,000 more of the same sort of paper from his patron, all of which he will dispose of for the greenbacks now in circulation.

It is stated that some of the banks in this city have already arranged to use their portion of these interest bearing greenbacks, on the same terms as those offered by this kitchen-cabinet COOKE.

Now what is the meaning of all this? Why does this generous Cooke offer interest-bearing legal tenders for non-interest-bearing legal tenders?

Why do the interesting interest-seeking banks of New York also intend to interest themselves in exchanging interest-bearing notes for non-interest-bearing dittos? Why did Aladdin exchange golden lamps for brass ones?

Isn't it almost incredible, that scarcely a month after a deliberate communication to the country, in which he boastfully claims to have created an immense debt at an average rate of interest of three and seven-tenths per cent., the Secretary of the Treasury should be anxious to exchange five per Cents. for currency at par; in other words, to give away five per cent. interest for nothing?

At this new trick of our financial *negromancer* the gaping ignorant will applaud, and invest; but the wise will suspect, and become more wary than ever of government paper.

And now for the secret of all this generosity. It is the same as that of the genii's lamp. *The interest on the new paper is payable in paper, while the old is exchangeable at par for five-twenties, which bear a gold one.*

The amount of these new issues authorized by Act of Congress is \$400,000,000. The bill was rushed through the National Legislature on the last day of its session, before any, but a chosen few, had time to study its provisions.

With these notes it will be the endeavor of Mr. Chase to buy up all the outstanding greenbacks exchangeable for gold interest-bearing stocks. To some extent this operation has already been performed, as any one may discover by noticing the legend on the backs of the notes he possesses. It will be found that some of his greenbacks are exchangeable for five-twenties and others are not.

Thus there disappears at last the only atom of reality in all this mass of vain promises, and nothing is left to the creditors of the Government but an indefinite interest in a remote contingency.

If any of the readers of this journal are swindled by this operation it will be their own fault. They have had fair and outspoken warning. No paper in the country has dared to say what we have said upon this subject,

though many are now falling into our views that were once our bitterest opponents ; and some are even going so far in their apostacy as to claim the merit of being the first to detect the shallowness of Mr. Chase's schemes.

The little merit there is in this, we claim for this journal, and shall allow none other to assume the championship.

What petty arts has not this officer stooped to, in order to force upon the country this ruinous paper scheme ! It is almost too humiliating to trace them.

He first borrowed \$100,000,000 from the associated banks at the beginning of the war. Then he borrowed \$50,000,000 more, which he promised them should be held by them subject to his checks from time to time. Contrary to promise, he suddenly calls upon them for the amount in gold, and so forces them to a suspension of specie payments. Then finding he could get no more out of them, and out of gratitude for their lending \$150,000,000 upon a capital of \$108,000,000 he introduces a law which compels them, in addition to their State tax of three per cent., to pay into the National Treasury an additional one of two per cent. on their circulation, and still another of three per cent. on their profits, and so obliges them to give up business.

The interests of the people are treated in the same way that the banks are. Supplies of all kinds for the war are eagerly purchased or contracted for at unheard of prices, and the most reckless extravagance characterises every transaction of the department. There is but one aim—to become possessed of every species of property, at any price, in exchange for promises to pay. No such thing as honor is thought of. Promises are made to-day, only to be broken to-morrow. Every little shaving trick is resorted to, in order to substitute successive issues of paper, each more worthless than its predecessor, for one another. First, we had demand notes, payable in gold. Then greenbacks, exchangeable for gold interest-bearing stocks. Now the last vestige of metal disappears, and we are having stocks payable in paper interest, and made a LEGAL TENDER. Last of all will come the national bank note currency, and then we shall see the end.

There has been no such thing as a proper system of taxation introduced—there has been no attempt to confine the war (if war there must be) within the bounds of a prudent expenditure—but every thing that can be bought for greenbacks is pitched away at the unfortunate South, or stuffed into the pockets of political favorites.

It is as though new life was to be infused into the nation by exhausting it of all its capital, and introducing paper, paper, paper, in its place.

. This destructive operation is like a process known to anatomists by the name of transfusion. It consists in withdrawing the blood from the veins, and infusing into them other blood, either for the purpose of removing disease *or using healthy blood for another subject.*

This art came into vogue some two hundred years ago, soon after Harvey demonstrated the circulation of the blood. As everybody was crazy on the subject of circulation in those days, the claims of the transfusionists were at once admitted, and carried to the most extravagant conclusions. It was deemed possible to extend life indefinitely, simply by removing old blood and introducing new. The first experiments were made upon animals. The blood of a sheep was introduced into the veins of an old deaf dog, from which his own blood had previously been withdrawn, and he appeared to recover his hearing, and become quite lively. The blood of four lambs was transfused into a horse of twenty-six years, who, after the operation, galloped off with renewed vigor. Pigs, and pigeons, too, received the benefits of the new system. At length a couple of physicians in Paris essayed their art upon an idiotic youth, who upon receiving the blood of a calf into his veins, recovered his reason and his health. Then a person was cured of a quartan ague, and another of a leprosy. A young and healthy gentleman in Paris, who had become interested in the experiments, and who was an author of some little note, submitted to have his blood removed, and that of another person substituted for it, and with no bad effects. The art soon found its way to Italy, and promised to become very popular. It was thought that immortality was

within any man's reach. All he had to do was to have his *circulation* properly doctored, and then he could live on forever, and laugh at time and decay. But darkness soon effaced these bright visions.

Sad events follow. The idiot dies raving mad. The leper and the man with the ague become the prey of a loathsome disease, and meet the same fate. The author endures the same horrible end. A prince of the blood falls a victim. Then the Parliament of Paris interferes, and interdicts the practice as useless and dangerous, and finally the whole system is killed by the Pope, who positively forbids it to be used. Of course, that was its death-knell. We have never heard any thing about transfusion since then.

Yet it never could be understood why the injection of foreign blood was injurious. Later investigations have revealed the fact that the corpuscles or atoms of blood, in various animals, are different, some being round, others oval, and so on. Before this discovery no difference could be discerned between the blood of one animal and that of another.

And so it is with paper money. It is difficult to impart the idea that paper is but a symbol that represents something which, unlike itself, has an intrinsic value, such as gold, silver, corn, cotton, coal, etc., or that when it represents something, *and a profit*, it can not be so valuable as when its nominal value is exactly that of the thing it stands for.

Like the unhappy victims of transfusion, will the country repent the treasures it has suffered to be dissipated, and the dross it has bargained for. Weakened by a long and wasting strife, robbed of its working capital, thinned of its best population by death or disease, and living from hand to mouth on its current earnings, it must pass through long years of wearisome, hopeless toil, to fall a prey, at last, perhaps, to some more powerful empire.

CHAPTER VIII.

The Secretary's Abilities—He Confesses to Know Nothing of Finance—What Other People Think of Him—What the Papers Say—What George Washington Thought of Paper Money—Old Hickory and Old Buck—Doctor Johnson and Macpherson—Beware of Chase.

IN our money article of December 19th, we published the following table [see page 26].

"It will be remembered that more than half of these 10,000 millions are in real estate, and the great part of the remainder, of such property as can not be parted with by the nation. It will also be remembered that from this wealth all our expenditures MUST COME. We *may get in debt to each other, but we can not wage war with debt.* War requires powder, shot, cannon, ships, food, clothing, men, horses, and equipages.

"Since 1860, the date of the Census Report, no material change has taken place in these figures ; certainly, no addition to them. As for the future, it will hardly be maintained that the nation, already reduced by levy and conscription, and become extravagant through sudden transfers of fortune, is doing any more than holding its own."

With these facts before us, and assuming that little or none of our government paper was, or would be held abroad, we laid down the broad principle that *the creation of our debt was limited by the amount of disposable wealth which the nation possessed when the war broke out, and which, as will be seen, amounted to about 3,000 millions of dollars.*

This principle struck with one blow at the very root of Mr. Chase's ruinous schemes, for it showed that, man-

age them as he may, they must soon come to an end, for the debt had already amounted, including what was due on the open account, to nearly 2,000 millions of dollars.

The Republican press, unable to foil our argument, attempted to parry it, by insinuating that the figures were not correct. In order to satisfy them upon this point, we will give them an additional authority for them, an authority that it is presumed they will not question, that of Mr. Chase himself.

In his report of July 4, 1861, before presidential aspirations floated in his brain, and his finances became impregnated with what the President calls the *horse-fly* complaint, he said :

"The value of the real and personal property of the people of the United States, according to the census of 1860, is \$16,102,924,116, or, omitting fractions, \$16,000,000,000. The value of the real property is estimated at \$11,272,053,881, and the value of the personal property is estimated at \$4,830,880,235. The proportion of the property of both descriptions in the United States, *excluding those at present under insurrection*, is \$10,900,758,009, of which sum \$7,630,530,605 represents, *according to the best estimates*, the value of the real, and \$3,207,227,404 the value of the personal property."

We hope that will do.

We have also been taken to account, on several occasions, for deriding Mr. Chase's financial abilities. Let us hear what the Secretary thought of himself in 1861. We quote from the same report :

"*He (Salmon P. Chase) is deeply conscious how imperfectly he is qualified, by experience, by talents, or by special acquirements, for the charge of the vast and complicated concerns of his department.*"

Now let us hear what others think of his financial ability, and to what a pass it has brought the country :

"The currency is redundant, waste and extravagance prevail, and the country is being drained of resources."—*Hugh McCullough, Comptroller of Treasury.*

"The danger is more from want of money than want of men."—*Senator Wilson, January 8, 1864.*

"The Treasury Report conceals, either ignorantly or designedly, the true state of affairs."—*Governor Seymour*, January 5, 1864.

"He (Chase) is a theorist, weak, deluded, rash, and opposed to all the teachings of experience."—*James Galatin*, *President National Bank*.

"He has perverted the laws of the United States, stimulated cupidity, and instigated unsound banking."—*Report New York Clearing-House Committee*.

"He never was in a bank in his life."—*Tribune*.

"Any bank clerk knows more."—*Express*.

"Chase's system is worse than Memminger's. He is ignorant of his duties, and two years will find him as flat as the other."—*Herald*.

"He is ignorant of the first elements of finance."—*World*.

"He has violated the law, and inaugurated a system of practical repudiation."—*Journal of Commerce*.

"He is currency mad."—*London Economist*.

"Mr. Chase's finances are totally experimental."—*Bank Superintendent Van Dyck*.

"We charge him with being a vain theorist, totally unfitted for his place, the confederate of stock gamblers, and a robber of the poor."—*Daily News*.

"His redundant currency has had the most damaging effects upon the war."—*Tribune*, December, 1863.

"Mr. Chase needs a lesson in finances."—*Sunday Times*.

In spite of this, he has been permitted to play the wanton with every important interest in the country, to flood it with irredeemable paper, and convert all its capital into debt. But, already this reckless adventurer must perceive the end of his career. The unknown sea of paper inflation into which he has sailed the bark of State is filled with obstructions that beset him on every hand. The five per cent. legal tenders, contrary to his expectation, are not held as permanent investments, but pass from hand to hand at their face value. The foolish scheme of Uniform National Bank Note Currency, condemned by the experience of other nations, and our own; by GEORGE WASHINGTON, Josiah Quincy, Thomas Jefferson, Alexander

Hamilton ; Secretaries Dallas, Crawford, Woodbury, Galatin, and Taney ; and Presidents Jackson and Buchanan ; drags very slowly. Mr. Henry H. Van Dyck, Superintendent of the Banking Department of the State of New York, in an admirable report just issued, deals it a blow from which it will require all the government patronage Mr. Chase can afford, to defend it ; and the Comptroller of the National Currency, Hugh McCullough, in his letter to the National Banks, deals it another. Strangely enough, both these gentlemen are Republicans, and both in office !

The people of this country will some day or other learn to appreciate, at their true value, the calibre of this rural President and his pitiful Cabinet. Dr. Johnson was once asked if he knew anybody that was capable of composing such magnificent effusions as those which are called the poems of Ossian. The doctor, who was firmly convinced that the author of them was no other than Macpherson, replied :

“ Yes, sir ; I know many a man and many a woman, and many a child, too ! ”

It requires but little skill to bleed a comparatively rich country ; but it requires a great deal to bleed it when poor.

We advise our readers, if they have any means for *investment*, to convert them into gold ; if they have real estate, to borrow all they can upon it, for as long a term as possible, and turn that into gold ; to make all the contracts they can, to receive goods for money ; and to make as few as possible to deliver goods for money. We advise them to deal only with such banking institutions as a long experience has proved to be secure—we mean those organized under the admirable banking laws of this State.

In a word, we advise them to BEWARE OF CHASE.

CHAPTER IX.

A Little Knowledge is a Dangerous Thing—Provocations to War—Destruction of the Border Land—Free Labor and Slave Labor—Helper's Crisis and the Hay Argument—The Massachusetts Disunionists—Emancipation in Jamaica—We are Northern to the Back Bone, but no Pharaoh—The War doesn't Pay.

BULWER'S Zanoni is pronounced, by all men of taste, to be one of the most beautiful creations in our language. It teaches the exalted lesson that Nature, like the veiled sphinx, must needs be approached with awe and reverence; that she sits enthroned in mystery and power; and that the paths that lead to her eminences lie through much that is forbidding and fearful. To tread them, requires a devout apprenticeship and the most elevated qualities.

The rash neophyte who would rush into her presence unprepared will meet with an awful fate. Fires will wither him, and dreadful phantoms pursue him; crawling, slimy beings will attend him, to freeze his soul with the speechless terror of their gaze, while the unseen Nameless Horror will always remain at his side, till death relieves him from its presence—as a warning against presumption and folly.

The Abolition party in this country, vain of that little wisdom, which is a dangerous thing, have, with criminal temerity, torn the veil from the Dread Unknown, expecting to find behind it Negro Equality, Free Labor, and Profit. They have found Carnage, Destruction, and Death. The flames of war have burst out all over the land. A million of white freemen are arrayed against each other in the field. A million have fallen. The whole border land is ravaged. Forty noble towns have been sacked or burned.

Ten thousand families are driven from their homes. A hundred thousand widows are mourning for the dead, and as many orphans are appealing to heaven for comfort. A vast belt of land, running from the Atlantic to the Mississippi River is redolent with the countless corpses of the brave who have fallen upon it without burial ; while a Clown sits in the high place of the nation, with the harlot of fanaticism on his lap and a joke upon his lips.

Were this party, these profane mockers of truth, who have conjured up this war, alone to suffer from it, or did they suffer *at all from it*, the visitation would be just ; but the Horror once invoked, they have raised themselves to secure places, and thrust the nation into Its avenging presence.

They forced this civil war by a long train of provocations and atrocious calumnies too bitter to be forgiven, and so have rent asunder as fair a land as the sun ever shown upon.

They taunted the Southerner by telling him that slavery debased the white man ; while all the wealth they owned themselves, as we shall presently show, was the product of slavery—the sleek clothes they stood in, the food they ate, and the liquor that gratefully trickled down their canting throats.

They threw into his teeth the lie that the Slave States had lived upon the Free, and were a burden to the federation ; while, as the figures will soon prove, the very contrary is the fact, for the whole nation, from its very beginning, had prospered upon the products of slave labor.

They fettered him down to exhausted soils, and denied him the right to remove to newer ones, in order that slavery should not be carried into the Territories ; as though they were not living upon the fruits of it.

They falsely contended, that between forced negro labor and free white labor there existed an irrepressible conflict, which, sooner or later, must subdue one or the other ; while the truth is, there never was a more perfect adaptation of two things to one another, than these two systems for two different races, and for two separate but adjacent

climes; the forced laborer being a consumer of the skilled labor of Northern mechanics, and the free workman a consumer of cotton, sugar, tobacco, and other agricultural products of the South. The exchange of these products constituted an immense commerce, gave employment to shipping, erected banks, lined our streets with marble palaces, and supported our national credit.

No great nation ever existed that did not possess the monopoly of trade with some tropical region cultivated by forced labor. Spain had her Mexico, and when she lost it she declined. Portugal her Brazils, and when she lost it she declined. Holland her India, and when she lost it she declined. France has her Algeria, her Mauritius, and her West Indies; and England the vast countries of Hindoostan, which she holds on to to-day with the tenacity of a last hope.

Why have the Banks of England and France lately raised the rate of money in quick succession from 3 to 8 per cent.? Because upon the breaking out of the war here, East Indian cotton immediately advanced in price, notwithstanding which it was eagerly bought up by Europeans and still continues to be bought up. Now, with this increased price which the East Indians got for their cotton, they did not indulge in a corresponding expenditure, and the consequence was, instead of buying an equal quantity of European manufactures in return, they contented themselves with a few plain fabrics, and gold and silver had to be shipped to them to make good the balance of trade, for these were the only things they choosed to have. A great demand thereupon rose for these precious metals, and the merchants rushed to the banks to pledge their securities and obtain loans of specie wherewith to buy and pay for cotton. The banks, being, by law, obliged to hold a certain proportion of specie, became alarmed at the demand, and at once put up their rates of discount.

Now this occurrence proves an important truth in nature—a truth familiar enough to Southerners, but to which negro fanatics have always been blind, and this blindness, from the unhappy ascendancy their ideas have gained, has been, and will still be, the cause of incalculable misery

to our own race. *It proves that most of the inferior races have no desire for property strong enough to induce them to labor with sustained power ; and this is the case with the negroes, whether they are free or enslaved.* For it should be known that this gold and silver goes not into the pockets of the laboring Indiamen, but into those of the native merchants and princes who consume it, in their great displays of Oriental magnificence, or hoard it, to elude the exactions of a barbarous government. India has long been called the grave of the precious metals.

Then it will be asked, why do East India laborers work so hard to make this money which they do not enjoy nor even desire ? Because their labor is FORCED. Were they left free to follow the instincts of their own grovelling natures, the whole of this smiling country would soon become a desert, and, like the freed negroes of Jamaica, in the language of Mr. Trollope, they would "eat their yams and snigger at Buckra."

These East Indians, therefore, are like the negroes of the Southern States, and their merchant princes and moguls like the Northern manufacturers who have lived upon the savings of their toil. Oh, that we had some little island like Jamaica, upon which to display a cheap philanthropy ; while the great empire upon which we fattened could enjoy its own system of labor without interference !

Thus, forced labor in India causes a great saving (even after the privileged British factors and merchants have cut large slices from its products) ; these savings must be realized in gold, that being all the East Indian merchants require for themselves, the masses requiring little or nothing ; this gold must come from Europe ; Europe loathes to part with it, for although she got it cheaply from California and Australia in exchange for goods, she requires it for her own consumption, and as a preventative against panics ; but the temptation is very strong, for cotton clothing is in great demand, and the Lancashire mills stand idle, while the workmen begin to grumble ; so she charges a good steep price for it (eight per cent.) and lets it go.

Nor does this remarkable chain of circumstances end

here. The demand for specie in Europe raises the price of it all over the world. It diverts the shipment of California bullion to England direct. It helps, still further, to depreciate our paper money, it stops all small enterprises by creating a dearth of capital, and postpones many larger ones till some future occasion. So, step by step, the influences of this great current of trade—like the great thermal Ocean Stream that springs from our own shores, which can be traced to the remotest corners of the earth, in tidal currents, in climates, and in the disposition of human populations—causes a chain of consequences too varied and intangible for human contemplation. Verily, verily, a little knowledge is a dangerous thing.

The restless desire for change and experiment, so characteristic of our people, has, in this measure of negro emancipation, found fatal employment ; nor would it rest here, if successful in this instance, but other social innovations, which, like this, had birth in that reign of madness, the first French Revolution, will be mooted, till society loses all sight of its ancient ways, and goes adrift. Among them, we shall probably have Amalgamation, Selection by Affinity, Polygamy, Community of Property, and all the other disgusting and ruinous theories of diseased minds.

Now let us see what we have lost by this war. We shall not shock the reader, by exhibiting the numbers of the dead and dying, the wounded, or the maimed of the 1,907,623 men that have gone forth from the Northern States to battle. Such a statement would have no effect upon the party in power. *The statements that tell upon them are money statements, and upon this question—the question of ways and means, of profit and loss—will this war eventually turn.*

RETURN FROM THE TREASURY DEPARTMENT, AT WASHINGTON, SHOW-
ING THE VALUE OF THE EXPORTS FOR FORTY YEARS, FROM 1821
TO 1861 :

Total United States Exports for Forty Years :

Cotton	\$2,574,834,991	
Tobacco.....	425,118,067	
Rice.....	87,854,511	
Naval Stores.....	110,981,296	
Food.....	1,006,951,335	
Gold.....	458,588,615	
Crude Articles, Manufactures, etc..	892,010,457	
	<hr/>	\$5,556,339,272

Exports from the South exclusively for Forty Years :

Cotton.....	\$2,574,834,991	
Tobacco.....	425,118,067	
Rice.....	87,854,511	
Naval Stores.....	110,981,296	
One-third of Food.....	335,650,411	
Forty per cent. of Gold*.....	183,588,615	
	<hr/>	\$3,718,027,891
Exports from the North.....		<u><u>1,838,311,381</u></u>

Amount of duties received on Imports for 40 years :

Total.....	<u><u>\$1,191,874,443</u></u>
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Of which the South's proportion was.....	\$799,508,378
And the North's proportion was.....	\$392,366,065

For these five thousand and odd millions of Southern exports, the Slave States received from the North an equal amount of manufactures, which bore a profit to Northern merchants, *after* the manufacturer had made *his*

* Some people may, without reflection, suppose that this estimate of the gold production of the South is too high ; but they should recollect that it is made for forty years, while California has only been open to us for fifteen. Previous to that time, we depended entirely upon the mines of Georgia, North Carolina, South Carolina, Virginia, and Maryland, for our gold. These mines have been very productive, the Dorn mine, in South Carolina, alone yielding a quarter of a million annually to the United States Mint at Charlotte.

profit, of an average at least of twenty-five per cent.; a gain to the North of \$1,111,267,854, thus :

<i>Cost of Northern and Imported manufactures which the North shipped to the South in exchange for the above products, including the freights and other carriages, all of which were earned by Northern vessels and Northern railroads.....</i>		\$4,445,071,418
Average profit, at least, 25 per cent.....		1,111,267,854

\$5,556,339,272

It is out of these 1,100 millions of profits that those who are non-producers in the Northern States have lived for forty years ; and among these were the very fanatics who have continually done their best to stop their own rations, and then, like the fox whose tail had been cut off, persuade others to do the same. So much for the source of their raiment, their food, their wine, and their oil.

Now for the revenues of the General Government.

From the above table, it will be seen that Southern products have contributed to the support of the Government nearly 800 millions of dollars in the shape of customs duties, while those derived from the exchange of Northern products have contributed less than half that sum !

Can we blame the Southerner for determining to sever himself forever from a people who have wronged him so much ?*

No. Rather let our vengeance fall upon the conceited fanatics whose crack-brained theories of cheap philanthropy have robbed us of the true source of the nation's unparalleled prosperity.

Ignorance has done all this ; ignorance of that *universal law of nature, that the cultivation of the tropics, carried on by the enforced labor of the inferior races, produces a large surplus over consumption ;* WHILE WHITE MEN, IN TEMPERATE LATITUDES, CONSUME NEARLY ALL THEY PRODUCE. *Destroy this cultivation, abolish this enforced labor, and you*

* That these causes contributed even more powerfully than slavery to sever the Union, no one who has read the efforts made of late years by the South for Direct Trade with Europe, can doubt. See proceedings of Southern Chambers of Commerce, 1858-60.

destroy Northern commerce, labor, mechanics, manufactures, etc., and reduce white men to poverty and privation.

In a pamphlet of some 240 pp., published in 1859, one "Hinton Rowan Helper, of North Carolina," as he styled himself, conceived that he had made a series of startling discoveries in the political economy of this country. He exhibited some forty odd tables of statistics, all of which went to prove that the aggregate of Southern productions was less than that of Northern, and attributed the difference to what he called the "degrading influences of enforced labor." We shall have something to say on this subject hereafter. Our concern is now with his figures. This book of Helper's, called the "Impending Crisis," did as much to accelerate the catastrophe of this war as any thing else. It was subscribed to by sixty-eight members of Congress, and formed, until the breaking out of hostilities, the grand text-book of his miserable party.

"We can prove," said he, "and we shall now proceed to prove, that the annual Hay Crop of the Free States is worth considerably more, in dollars and cents, than all the cotton, tobacco, rice, hay, hemp, and cane sugar annually produced in the fifteen Slave States :

HAY CROP OF THE FREE STATES—1850.

12,690,982 tons, at \$11.20.....\$142,138,998

SUNDRY PRODUCTS OF THE SLAVE STATES—1850.

Cotton, 2,445,779 bales, at \$32..... \$78,264,298

Tobacco, 185,023,906 lbs. at 10c..... 18,502,390

Rice (rough), 215,313,497 lbs. at 4c..... 8,612,539

Hay, 1,137,784 tons, at \$11.20..... 12,743,180

Hemp, 34,673 tons, at \$112..... 3,883,376

Cane Sugar, 237,133,000 lbs. at 7c..... 16,599,310

Total..... \$138,605,723

RECAPITULATION.

Hay Crop of the Free States.....\$142,138,998

Sundry products of the Slave States..... 138,605,723

Balance in favor of the Free States..... \$3,533,275

"There is the account ; look at it, and let it stand in attestation of the exalted virtues and surpassing powers of freedom. Scan it well, Messieurs lords of the lash, and learn from it new lessons of the utter inefficiency and despicable imbecility of slavery. Examine it minutely, liberty-loving patriots of the North, and behold in it additional evidences of the beauty, grandeur, and super-excellence of free institutions. Treasure it up in your minds, outraged friends and non-slaveholders of the South, and let the recollection of it arouse you to an inflexible determination to extirpate the monstrous enemy that stalks abroad in your land, and to recover the inalienable rights and liberties which have been filched from you by an unscrupulous oligarchy."

Thus much the virtuous Helper. Now for the hay argument. Suppose, out of the cotton produced by the South in 1850, she consumed only \$6,279,682 worth, and exported the rest ; out of the tobacco only \$8,551,367, and exported the rest ; out of the rice only \$5,980,982, and exported the rest ; it would be plain that on these three staples alone she would have effected a saving to the nation, and a consequent addition to its wealth, of \$84,567,196, thus :

	Consumed.	Total Product.
Cotton.....	\$6,279,682	\$78,264,298
Tobacco.....	8,551,367	18,502,390
Rice.....	5,980,982	8,612,539
	<hr/>	<hr/>
	\$20,812,031	\$105,379,227
Deduct consumption.....		20,812,031
		<hr/>
Savings*.....		\$84,567,196

Again, if on this saving of 84 millions, the Government received 17 millions duties on the foreign imports for which it was exchanged, it would follow that these three products alone had contributed so much to the support of the Government. And this, it must be re-

* The figures are from "Appleton's Cyclopædia," vol. xv., p. 809.

membered, is charging against the South all the cotton and tobacco used by Northern manufactories which was not exported.

Now, suppose that the Hay Crop of the North, which Mr. Helper says amounts to 142 millions, amounted instead to 142 quadrillions, *and was all consumed by Northern jackasses, and not an ounce of it sold abroad or saved at home*, to what extent would it have contributed to the support of public expenditures, or furnished capital for the nation?

At this rate the South had better compute the value of the green grass and herbage, her dumb beasts crop during the year, and enter that under a catalogue of her annual productions!

It is like two men, one of whom earns ten dollars a day and spends every cent of it, and the other earns only five, yet saves three out of it, and spends but two. The ten dollar man then wants to drive the five dollar man away, simply because—he don't earn so much!

The truth is the argument is *against* us, as showing the *additional labor* our rigorous climate imposes—the very opposite of *additional wealth*. If we had to manufacture all the air our cattle breathe, instead of getting it as we now do—*without labor*—we should become the poorest people on earth.

Yet these shallow sophistries have ruled the country for many long years.

Of the degrading influences of enforced labor which Mr. Helper quotes, what do those who have visited the countries where the negro has been emancipated say?

“There is no *blinking the truth*. Years of bitter experience, years of hope deferred, of self devotion unrequited, of prayers unanswered, of sufferings derided, of insults unresented, of contumely patiently endured, have convinced us of the truth. It must be spoken out loudly and energetically, despite the wild mockings of ‘howling cant.’ *The freed West India slave will not till the soil for wages.* Free and independent enough he has become, God

knows, but laborer he is not ; and, so far as we can see, never will be."—*Kingston (Jamaica) Cor. London Times.*

"Lying under the cotton-tree, the freed negro refuses to work after ten o'clock in the morning. 'No, tankee, massa, me tired now ; me no want more money.'"—*Trollope's Travels in Jamaica.*

"The possession of five acres of land, which can be had for twenty-five dollars, confers upon the freed negroes the right of voting, and eligibility to public office ; yet although their labor is in urgent demand at \$1.50 per day, there has been no increase in voters for twenty years."—*Mr. John Bigelow, Cor. N. Y. Evening Post, and present Abolition Consul at Paris.*

"Let the Abolitionist see with his own eyes the neglected and abandoned estates—the uncultivated fields, fast hurrying into a state of nature, with all the speed of tropical luxuriance—the dismantled and silent machinery, the crumbling walls and deserted mansions, which are familiar sights in most of the British West India colonies, and compare them with the life and prosperous activity of the slave colonies of Porto Rico and Cuba."—*Robt. Baird, Jamaica, 1850.*

"Since the blacks have been liberated they have become indolent, degraded, and dishonest. Both sexes lie about the streets perfectly naked."—*Ex-Governor Wood of Ohio : Jamaica, 1853.*

"Wreck and ruin, destitution and neglect. Nothing is replaced that time destroys, but idleness and licentiousness characterize them all."—*Sewell's Ordeal of Free Labor on the Free Blacks of Jamaica.*

"All is decay and desolation. The freed negroes despise all labor, and are content with the spontaneous productions of the soil and forest. We passed by or through many abandoned plantations, the buildings in ruin, the sugar-mills decayed, and the iron pans strewn the roadside cracked and broken."—*E. B. Underhill (Abolitionist), Moral and Social Con. of W. I.*

"This serpent worship is a return to heathenism. The bacchanalian revelers always dancing and turning about, are borne away into a place near at hand, where some-

times, under the triple excitement of promiscuous intercourse, drunkenness, and darkness, scenes are enacted, enough to make the impassible gods of Africa themselves gnash their teeth with horror."—*Ibid.*, *Report to Baptist Mission*.

"The freed negro is rapidly receding into a savage state in Jamaica."—*Harper's Cyclopædia of Commerce*.

This is what Helper called "evidences of the beauty, grandeur, and super-excellence of free institutions."

But as these fanatics seem to be fond of figures, let us give them a few more. They are from the work last quoted :

Table of Exports from the Island of Jamaica before Emancipation.

Years.	Value.
1809	£3,033,234
1810	2,303,579

After Emancipation.

1853	£837,276
1854	932,316

Table of Products in the Island of Jamaica.

1805.—Before Emancipation.

Sugar	150,352 Hhds.
Rum	46,837 Punch.
Coffee	17,961,923 Pds.

1856.—After Emancipation.

Sugar	25,920 Hhds.
Rum	14,470 Punch.
Coffee	3,328,147 Pds.

Cold, ignorant, heartless, selfish, unmerciful, the rigid bigots of New England have precipitated this war—lies have fed it—fanaticism fanned it—and a helpless sectional conceit maintained it.

Petitions were circulated in New England years ago for "a dissolution of the existing Union, leaving the North to organize an independent government," as we copy from an original document before us.*

* See Life of Theodore Parker, vol. ii., pp. 188, 189, and 190 : and Convention of Disunionists at Worcester, Mass., January 15, 1857. On

From time to time, the press dispatches which are got up in the Treasury Department, have informed the country that the rebellion was about to collapse for want of food, while it now inadvertently comes out that "Grant's troops have been on half rations for some months past," and the figures we have quoted from the census report abundantly prove that the South is better able to maintain the contest than we are.

Propositions to attain, to confiscate, to ravage, and hang, are mooted by these baffled madmen, and a false cry of "Union" invented to arouse unwilling enthusiasm in a bloody cause.

There is no honor in this war. We say this with a profound love for our native country, and an equally profound though sorrowful declaration, that henceforth we and the Southern Confederacy must be two. We are no Pharaoh. We would let the people go. We have fought long enough to vindicate our manhood and honor.*

There is no profit in it. The amount of deceit with which we are enveloped beggars all relation. Even Mr. McCullough, the Comptroller of the Currency, ashamed of the false position this paper currency has placed him in, writes to the National Banks to prepare for a coming season of distress, because "our present prosperity is only seeming, not real, and must soon be followed by collapse and ruin." *The war doesn't pay!*

THAT THE SOUTHERN CONFEDERACY WILL MAINTAIN ITS INDEPENDENCE SEEMS TO BE SHAPING ITSELF INTO A CERTAINTY;

the First of February, 1850, John P. Hale, of New Hampshire, presented, in the U. S. Senate, eight petitions, praying "that some plan might be developed for the dissolution of the American Union." Upon a vote being taken to receive the petitions, they were rejected by the entire Senate, except John P. Hale, of N. H., Wm. H. Seward, of N. Y., and Salmon P. Chase, of Ohio.

* "Any people, anywhere, being inclined, and having the power, have the *right* to rise up and shake off the existing government, and form a new one that suits them better. This is a valuable, a most sacred right—a right which we hope and believe is to liberate the world. And this right is not confined to a whole people, but any portion of a people may exercise it."—*Abraham Lincoln's Speech, House of Representatives, January 12, 1848.*

NOR DOES THE ADMINISTRATION ITSELF APPEAR TO DOUBT IT VERY STRONGLY. THE WAR IS ONLY CARRIED ON FOR TERRITORY, AND PLUNDER OF THE PEOPLE BOTH NORTH AND SOUTH. We feel confident that an early termination of hostilities will be an advantage for the whole country !

Then between a hard soil and a luxuriant one, between a labor system that saves nothing, and one that is compelled to save ; between revenue exactions that will last for a hundred years, and a mild excise easily canceled in ten ; between the cultivation of staples that scarcely pay a profit to bring to market, and one that the world must buy at almost any price ; between a country destitute of capital and loaded with debt, whose untilled fields and deserted workshops will bear the impress of poverty on every hand, and a country quietly returning by slave labor to commercial activity—there will be but little choice.

The very men who now hound on the war, will be the first to help repopulate the South, and seek to share the benefits of her system.

CHAPTER X.

The Warrior and the Workman—Achilles to Puck—Number of Men Called for, and Number Enlisted—The Horrors of War—Desolation of the Border—What the Confederates Say—Sufferings of Soldiers and Families.

* * * * *

HOUNDED on by a band of furious fanatics, Abraham Lincoln has suffered this nation to be drawn into a conflict for which history in vain seeks to find a parallel.

Now, after three years of sanguinary and wasting strife, the furious and vaunting spirit of civil war approaches the humble counter of Toil, and meekly says :

"I pray thee, good Puck, look over the figures once more. Try and keep it up but another year. Save thy capital. I know the country is in real distress ; still, do but make another trial, if even you ruin yourself in doing so. Let me take all thou hast, if even half of it goes into the coffers of thieves and speculators. Give me the ways and means for one more season, furnish me with arms and men for this last time, and the panting South shall lie bleeding at your feet."

We say No! No, no, no, no. We, the toiling masses, cry you, pause. We'll give no more. Nearly a million of us lie dead or bleeding on the field. The whole country is in tears. Sorrow for our own troubles, and pity for our hapless enemies, fill every house. Unnumbered millions, the product of eighty years of industry and thrift, are scattered to the winds, and nothing remains but the smoke that rises from the cannon's mouth, or lazily curls about the ruined cities of the Border ; and the hollow mockery of a paper promise that serves but to gloss the wreck.

No more men, we say ; and no more money !

The following number of men have been called to arms since the war commenced :

	Demanded.	Enlisted.
April 16, 1861, 9 months.....	75,000	77,875
May 4, 1861, 3 years.....	42,000	64,748
July 27, 1861, 3 years.....	500,000	725,000
July 11, 1862, 3 years.....	300,000	300,000
August 4, 1862, 9 months.....	300,000	300,000
Draft, 1863, 3 years.....	300,000	300,000
Draft, 1864, 3 years.....	500,000	200,000
Total demanded.....	2,017,000	
Enlisted in the Navy.....		40,000
Total enlisted.....		2,007,623
Deduct re-enlisted men.....		100,000
		<u>*1,907,623</u>

Now, the whole number of white males between the ages of 18 and 45 in all the States (seceded included), and in the Territories and District of Columbia, appears by the census table of 1860 to be, 5,624,065, of whom about one-third, or 1,874,688 were citizens of the (now) Confederate States, and two-thirds, or 3,749,377, citizens of the United States :

Total number of white males in the United States between the ages of 18 and 45, in 1860.....	3,749,377
Gone to the war.....	<u>1,907,623</u>

Whole number remaining..... 1,841,754

Of these 1,841,754 men, many are physically unable to endure the rigors of a campaign life ; some are cripples ; some deaf and dumb, or blind ; some lunatics ; and others unfortunates in reformatory institutions, or convicts in prisons.

Besides that, there must be deducted the entire quota of California, Oregon, New Mexico, Nebraska, Dakota,

* For the figures see "Appleton's Cyclopædia" and Department Reports.

Utah, Idaho, Nevada, and Arizona, which furnish no troops for the war, and which, from the fact that they are new countries, contain a far greater proportion of hardy men than the older and more settled States.

These are the figures of 1860, it is true, but the natural increase of the fighting population since then has been fully balanced by the skeddaddling, or, to use a less expressive, but more elegant term, the emigration of our people to other countries, or to the Pacific coast.

It would be fair to conclude, then, that there are not over one million of men in the United States to-day available for the war.

This million comprises the great body of active workers, those who must toil for the army in the field, and provide for the young, the old, and the women at home.

Be not deceived because in the large cities the population appears as numerous as ever. In times of war the tendency of population is always towards great centres. This is to escape the ravages of the conflict, to procure easy employment, and to take advantage of shifting values.

The country sections are depopulated !

SHALL THIS MILLION, TOO, GO TO THE WAR ?

What are the accounts we daily receive from the conflict ?

“When it was known that orders were received at Pensacola for the departure of the Twenty-eighth Maine Regiment for New Orleans, and the occupation of the forts and navy yard only by the two remaining regiments, the Fifteenth Maine and the Twenty-eighth Connecticut, the soldiers seemed to think the entire evacuation of the place to the enemy was intended, and many of them were heard to swear that they would burn the place before they left. Accordingly, on Thursday noon, fires made their appearance, and for three days and nights that place was filled with smoke and flame. At night the scene was terrible and magnificent.

“There had been no quarrel between the citizens and soldiers of which I have been able to learn. The soldiers

were not intoxicated when the fires commenced, but they broke open a drug store and obtained a quantity of liquors, before their progress was checked. They burned the houses they themselves occupied, *St. Mary's Hall, a fine hotel in the best part of the town, and all the dwellings but those of Major Chase and Colonel Mallory.*

"There were but a few hundred people in the city, who gathered such movables as they could collect, and assembled with them in the public squares. *Officers and soldiers must have been in a state of utter demoralization.* The officers seemed to have no influence over the men. They are reported as having used their utmost endeavors to arrest the work of desolation. All military operations and discipline were at an end. Guards would be stationed to protect property, and on the instant of the disappearance of the officer, the guard would fire the property he had been placed in charge of. Colonel Dyer, commanding the post, rode about, report says, almost distracted at the conduct of his men. He gave orders that persons caught setting fires should be instantly shot, but no one executed them. Finally, the long roll was beaten, the men were gathered into the Navy Yard, and confined. Colonel Dyer then sent notice into town that if any citizen would come forward and take the oath of allegiance, they would be protected in person and property!"—*New Orleans Correspondence Evening Post, March 26, 1863.*

"Jacksonville is in ruins. That beautiful city, which has been for so many years the favorite resort for invalids from the North, has to-day been burned to the ground, and, what is sad to recall, by the soldiers of the National Army. *Scarcely a mansion, a cottage, a negro hut, or a warehouse remains.* The long lines of magnificent oaks, green and beautiful, with the thickest foliage; the orange groves, perfuming the air with their blossoms; the sycamores; the old century plants adorning every garden; the palmetto and bayonet trees, ever tropical in verdure; the rose and the jessamine; all that at this season, indeed, I might say through all seasons, has made Jacksonville a little Eden, has been burned, and scorched, and crisped,

if not entirely consumed to ashes, by the devouring flames.

"*The whole city, mansions, warehouses, trees, shrubbery, and orange groves—all that refined taste and art through many years have made beautiful and attractive—are being lapped up and devoured by the howling fiery blast.*

"*One solitary woman, a horse tied to a fence between two fires, and a lean, half-starved dog, are the only living inhabitants to be seen on the streets.* Fifty families, most of them professing Union sentiments, have been taken on board of the transports, and provided with such accommodations as these old tubs will afford. Some of them have been able to save a bed and a few chairs, but most of them nothing in the world but the clothes upon their backs.

"Is not this war a vindictive, unrelenting war?

"Yesterday, the beautiful little cottage used as the Catholic parsonage, together with the church, was fired by some of the soldiers, and in a short time burned down to the ground. *Before the flames had fairly reached the church, the soldiers burst open the doors, and commenced sacking it of every thing of value.* The organ was in a moment torn to strips, and almost every soldier who came out seemed to be celebrating the occasion by blowing through an organ pipe.

"To-day, the same spectacle has been repeated, only upon a much grander scale. There must have been some understanding among the incendiaries with regard to the conflagration. At eight o'clock the flames burst from different buildings in different parts of the city, and at a later hour, still more were fired. The wind then rose to a stiff gale, and the torch of the incendiary became unnecessary to increase the fire.

"The vandalism was mostly perpetrated by the soldiers of the Eighth Maine—in some instances, by the sanction of subordinate officers; but it is due to Col. Rust to say that every thing he could do was done to protect the property and the people. *A company of the black regiment was also implicated in firing the block; but they did it under the sanction, if not approval, of a white lieutenant.*"—*Jacksonville, Fla., Correspondent New York Tribune.*

The wealth of the Mississippi Valley has ceased to flow, and steamboating is most seriously curtailed. Nearly one-half the entire fleet on the Western waters three years ago has been destroyed, and but few boats have been brought forth to fill the vacancy. The steamboat men go about in sorrow, and long for the happy times of old. A few of them are amassing fortunes, but the majority complain of poverty."—*Cor. Boston Journal, November 12, 1863.*

"Squatted along the corridors were men, whose condition, though clean, and evidently improving, was sickening to the last degree. *Some had their arms chopped off short at the shoulder, or ending abruptly at the wrist. Others crawled legless along the floors; while some were hideously deformed from their wounds, having lost two or even three limbs, and were put to a method of locomotion truly disgusting and pitiable to observe.*"—*New York Weekly News, August 29, 1863. Report of Visit to Confederate Prisoners on David's Island, New York Harbor.*

"Two surgeons to attend upon six hundred patients were all I found in one hospital; happily, among the prisoners there were a few medical men, who did what they could to alleviate the suffering of their comrades. I shuddered at the spectacle I had to witness; the wounds of many had not been attended to, and *maggots were eating into their flesh*, whilst their clothing was stiff with clotted blood."—*Visit to Union Prisoners in Richmond Hospitals.*

"Women and children laden with stolen goods were running about in all directions, and gangs of drunken scoundrels rolled about the deserted streets. The black population streamed into the town to have their share in the general pillage, and though more than one had his brains knocked out for his pains, many had the opportunity of making a large booty."—*Evacuation of Nashville.*

"This State is so devastated by the civil war as to be practically abandoned by the foot of man. The men are slumbering at Shiloh, Corinth, and Stone River; the servants have gained their freedom; the women and children have fled to more remote and quiet precincts. Falling in behind the retiring footsteps of humanity, come

the four-footed beasts and creeping things. The fox makes his burrow under the ruined dwellings where a happy people once dwelt. The serpent crawls under the floor of the church and school-house. The squirrel chatters and builds his nest upon the locust-tree in the old yard, once noisy with the mirth of children. The gum is rotting in the cold spring—the partridge whistles from the ridge-pole of the cabin—the wild bee seeks a store-house for his honey, fearless of detection from the human eye. All is returning to a state of nature. What a monument of the ravages of war!"—*Memphis, Tenn., Bulletin.*

When these pictures of the ruin of our country are laid before our eyes, who can refrain from tears? Yet the madmen who rule the hour cry war, war, to the bitter end. Bitter enough, God knows, already.

The Southerners want but their own land, and it will be difficult to drive them from it. It may be narrowed, but never can be overrun. At this moment their banners wave almost within sight of Washington, and distant seas tell the ravages of their infant navy.

"A very intelligent Confederate officer said: 'We insist upon the line of the Potomac and the Ohio, but are willing, if it should appear upon a fair election that Kentucky, or any other State, prefers to go with the North, that it should do so. We take our boundary marks, sir, not from material considerations, but from the hearts of the people.'—*Conversation with Prisoners at David's Island. News, August 29, 1863.*

"Another officer said: 'This is not a war of the North for Union. It is a war for empire. It is a war for the exclusive direction of American politics. It is a war to destroy the only genuine Democratic portion of the country; to dissipate its property; to usurp its liberties; and so to reduce it to the situation of a conquered territory. Should the Washington Government retain its present advantages in the West and on the sea-coast, and so extend them as to confine us to a small district of country

in the neighborhood of Florida, Georgia, and South Carolina, it will then be anxious enough to recognize us, heartily glad to be thus rid of the last vestiges of American democracy. It will then have robbed us of many of our slaves, and left us destitute of national strength, to a limited territory, to shallow harbors, deserted plantations, sand banks, and mosquitoes. But hope has far from deserted us ; we are as confident as ever. We see in your present successes only the ordinary vicissitudes of war. We still defend the Rappahannock, and have uncontrolled possession of the affections of the Southwestern people. We still have hopes of regaining the Mississippi, or, at least, of hindering its exclusive navigation.”—*Ibid.*

A people animated with such sentiments can never be subjugated.

To this our calculations tend, and Puck says to Achilles : “Enough ! call off your men, and let the war be stopped while honor yet remains !”

CHAPTER XI.

Power and Patronage—A New Order of Moneyed Aristocracy—The Poor Ground to Powder—Mr. Stebbins' Speech—The Finance Machine—Terrific Explosion and Horrible Catastrophe—The Results of Tampering with the Currency—Let Well Alone.

LAST week we took a trip into the country with a gentleman well known upon the Stock Exchange.

Arriving at a secluded village some miles away from the city, we baited our horses, lighted our segars, and strolled away in search of the picturesque. Our conversation, at first political, took a commercial turn, and ran somewhat this wise :

SPECULATOR.—Why is it that a man as conversant as yourself in the phenomena of financial inflation should remain idle in times like these, instead of helping to reap the golden harvest that is ripening every day ?

EDITOR.—Because business runs in grooves. I do not happen to be in one of those grooves just now. But I am not idle. I employ my time and my efforts to explain these very phenomena, and expose their danger.

SPECULATOR.—To whom, and for what purpose ?

EDITOR.—To the people ; in order that they may guard them against loss.

SPECULATOR.—And how many people do you suppose will benefit from your warnings, or thank you if they benefit ?

EDITOR.—Many. Two hundred years ago scarcely an individual, out of a very limited circle, understood these things sufficiently to profit by them, or even to save themselves from loss ; during the first French and first American Revolutions this circle became materially widened, and now there are thousands of men who are sufficiently

intelligent upon the subject, not only to preserve their own property from depreciation, but to materially add to it during the inflation. You are yourself one of them. Nor is this circle confined to the five or six hundred stock brokers in William Street, or even to their eight or ten thousand customers. It embraces hundreds of thousands of our people, and is widening every day. As for thanks, we of the scribleri look to those rewards which the teachings of truth are expected to confer; and, also, to a grateful posterity.

SPECULATOR.—Bah! More likely an office under a Hard Cash President! that is, if Hard Cash is a possible thing for the next twenty years.

EDITOR.—It is a possible thing within a month! The present Secretary has full power to reduce the currency, and return to specie payments almost immediately.

SPECULATOR.—Do you think he will do so?

EDITOR.—(with an explosion of laughter).—That's a good joke! Do I think Wendell Phillips would restore the Fugitive Slave Law, or Abraham Lincoln the *Habeas Corpus*? It is quite within Mr. Chase's *power* to abolish paper inflation; but not his wish. He is a theorist, a crack-brained theorist; stark, staring mad on the subject of paper money; and with as little correct knowledge of the subject as a fly may be said to possess of the analytical elements of an elephant's hide.

SPECULATOR.—The latter is just my opinion. I regard the Secretary of the Treasury as the biggest fool, with regard to finances, that ever held a public position. It makes a man howl with laughter to read the speech that Henry G. Stebbins made in the House of Representatives, the other day. The rankest nonsense you ever heard, but all intended for, and swallowed by, a man it wasn't addressed to—the Secretary of the Treasury.

EDITOR.—I read that speech, but its extraordinary absurdity made me wonder how Stebbins had ever managed to become President of the Board of Brokers.

SPECULATOR.—Tubs for whales! Stebbins knows what he is about. The paper currency is what the Board is amassing wealth by. Why, even now, the mere member-

ship is sufficient to ensure a fortune. I would give ten thousand dollars to be a member of the New York Board of Brokers to-day.

EDITOR.—Is it possible Mr. Chase is so egregiously mad as to swallow such stuff?

SPECULATOR.—Of course he is. Did you ever know a theorist that wasn't? John Law was as much the victim of his own wild schemes as the most despairing man they ruined—and when he fled from France to escape the popular wrath, he was too poor to pay his private servants. I will acknowledge, though, Mr. Chase is a grade or two less infatuated than this, for, if the *World* says truly, he has appointed his relations to the most lucrative places in the department, in order that they may lay by a comfortable reserve for themselves.

EDITOR.—The man who can coolly ruin an empire for the mean object of personal emolument, deserves to be stamped to death in a gold crusher. It would be a fitting punishment for him. But I think we deceive ourselves in believing Mr. Chase to be dupe of his *insanities* of finance. They look to me as though there was a good deal of *method* in them. They seem planned to effect a total change of government in this country, of which Mr. Chase is *par excellence* to be the head. They are the most vigorous and effectual promoters of POWER and ARISTOCRACY that exist.

SPECULATOR.—Pray explain.

EDITOR.—First, the passage of a legal tender law, which was done at Mr. Chase's solicitation, and *en parenthese* was wholly unnecessary, at once disturbed exchanges, impaired the value of contracts, destroyed credit, imposed a factitious fine upon commodities, and opened the door to extensive stock gambling. The tendency of this state of things, as you well know, is to defraud the poor man, to steal away his savings, and depreciate the value of his labor, to make his living harder to earn, and eventually to throw him upon the world discouraged, and a pauper.

SPECULATOR.—True. This has always happened during similar periods in past times. The poor sustained the

whole brunt of it, and the rich reaped all the benefit ; except what was absolutely wasted, either in war or dissipation.

EDITOR.—It creates a dependent multitude, ready to follow the beck of the first nabob that lifts his hand. It enslaves labor and elevates capital—the very crime Abolitionists charge against the South.

SPECULATOR.—So it does. Only the slaves are white men in this case.

EDITOR.—Now to the next proof. The frequent change of conditions upon which paper money has been issued at various times, by the Secretary, seems to have been intended for no other purpose than to enrich those who were in the secret of his projects.

SPECULATOR.—You mean from demand notes to greenbacks, or greenbacks to national bank notes ?

EDITOR.—No. I mean from gold interest bearing securities, to paper interest ones. I mean in the matter of buying gold in market, as shown in the operations of the notorious “Washington” party of last year ; and, I mean, in the power now demanded to sell gold, the mere rumor of which has advanced it, in one week, from 157 to 170, and thrown it back again to 164. This, in effect, converts the Treasury Department into a grand broker’s shop, in which friends who get the early news are the only gainers. These friends or confidants of the secretary are our future order of nobility.

SPECULATOR.—I can mention half a dozen parties who are notoriously in receipt of advance news from the Treasury Department ; and I know a party who paid five thousand dollars last year for a certain statement from one of the Treasury clerks.

EDITOR.—Exactly. All this proves point number two : that Mr. Chase is, both by the nature of his financial measures, and by whatever help he can afford them through frequent shifts of policy, building up a wealthy aristocracy, of which you, my friend, will form one.

SPECULATOR.—Not by a long shot ! When the game is played out I shall go to Italy and enjoy my fortune.

EDITOR.—Why not stay here and play the grand capitalist ?

SPECULATOR.—Because I am not fitted for such a *role* ; and because there will be something to follow all this fine programme.

EDITOR.—What ?

SPECULATOR.—Precisely what followed John Law's Mississippi Bubble—the French Revolution, the Reign of Terror, and the Massacres.

EDITOR.—To continue my indictment against Chase. The more we look at the subject, the more method there appears to be about his madness. Look at the extension of the Treasury Department, till it covers the commerce of the entire country, hitherto wisely left to itself. Look at the myriad of officers this places under his control, and the immense patronage it bestows. Look at the smart dodge of having his portrait engraved on the smallest and commonest denomination of Treasury notes—the ones—in order to make himself popular with the people. Then look at the prodigious bargains he has given to capitalists. For instance, a 5-20 bond of \$100, if purchased in gold, can be bought for \$60. In twenty years \$100 in gold must be paid back for it, and the accumulated simple interest will amount to \$120 in gold. This is giving \$220 for \$60; a clear gain of \$160 to the capitalists. If purchased in paper, it yields an annual interest of six per cent. in gold, which is already equal to ten in paper; and this is another powerful means of increasing the rich man's wealth. Then look at the contracts he has given out to enrich his friends : \$12 paid for condemned muskets that were afterwards sold for \$3 ; and again were bought for \$20. Thousands of dollars *per day* given to charter vessels that were not worth three days' hire at the contract prices. Millions squandered upon a worthless navy, built upon the theory that steam cannot be used expansively with economy ; and other millions lavished in useless fortifications at St. Louis, or senseless pageants at Washington.

SPECULATOR.—But Mr. Chase is not responsible for these last extravagancies.

EDITOR.—Not directly. Yet may it not have been a part of his plan to encourage them, knowing that they could

not fail to promote the objects he had in view—centralization of power, and privileged aristocracy. They certainly could never have been indulged in had it not been for the legal tender law he caused to be passed. The Secretary was, doubtless, thoroughly aware of the influence of his system, when he said, in his last report, that “every holder of a treasury note was bound in the direct ratio of its value to the government that issued it.” Although this declaration is not correct, the intention of it is sufficiently manifest. Look at the invidious effort he has made, too, to introduce and establish his pet bank system, under which a new horde of partisans will be appointed and patronized. Indeed, nothing has been left undone that could possibly contribute toward the grand design I impute to him, or those who manage him.

SPECULATOR.—Then you do not believe him to be the chief mover in this atrocious scheme—for I acknowledge the clearness of your views. You clear up a good deal that was unaccountable to me before.

EDITOR.—No. I THINK THAT ABRAHAM LINCOLN, AND THE SMALL BUT POWERFUL FEDERAL PARTY WHO BACK HIM, ARE THE PRIME MOVERS TOWARDS MONARCHICAL GOVERNMENT.

SPECULATOR.—I didn’t suspect that facetious individual of enough ability to occupy such a position. He has shown less statesmanship than the imbecile King Bomba.

EDITOR.—*Abraham Lincoln does not possess a single element of statesmanship ; but, with John Farney and William H. Seward, he possesses the services of, perhaps, the ablest POLITICIANS in America. As a party manager, himself, he has few equals ; and, as such, is more to be feared, when entrusted with power, than a host of hereditary tyrants.*

SPECULATOR.—But what does he know of finance ?

EDITOR.—Enough to subvert the art to his political ends. *While in the Illinois Legislature he was always on a Finance or Ways and Means committee.*

SPECULATOR.—Enough. I see through the whole game. Democracy has lived and died in the United States, and conscious as I am that we are at its invisible burial, I could almost weep at the loss. I feel as though the market had fallen twenty per cent.

EDITOR.—Your Democracy is less a matter of *principle* than of *interest* then ?

SPECULATOR.—Pardon me. It's hard to "cut the shop ;" though, as an excuse for the vulgarity of my simile, I may say that a fall of twenty per cent. in stock would make me a beggar.

EDITOR.—And is it possible you risk so much on the chances of the stock market ?

SPECULATOR.—Oh ! I've made my calculations, and my investments will be sure to double themselves within the next fortnight. After that I shall withdraw, turn everything into gold, and clear off to Europe.

Chatting in this way we presently came upon a large brick building near the roadside. A thin wreath of smoke curled lazily from its tall chimneys, and a weak column of white vapor arose occasionally from its exhaust pipes. These signs betokened a manufactory. Curiosity and idleness induced us to enter. We found the place deserted. The workmen had evidently gone to dinner, and left the monster engine by itself. Everything was in its place though. The fires were lighted, steam in the boiler and chest, and the valves adjusted, to prevent its further accumulation, and to cut it off from the engine.

Its giant arms shone with repeated burnishings, and its cylinder was as polished as a mirror ; indeed, the whole interior had an air of regularity, order, and subdued power. My friend no sooner observed the engine than he ran to it, and examined its parts with the air of a connoisseur. He showed me that the boiler was a tubular one ; he explained how the governor was governed ; he demonstrated the number of feet stroke the piston had ; what kind of a cut-off was used ; and traced all the connections, beltings, and shaftings, till they ended in the steam hammers they drove—showing that the place was an immense forge of some sort. My friend was anxious to show me how these worked, and asserted his experience to be quite sufficient to set the whole machine in motion in a few minutes. " You have only to cut this off," said he, " and turn this over, and twist this wheel a little, and adjust this belting, and you will have

the satisfaction of seeing the whole thing in motion, and all the hammers working away to perfection." Upon questioning him about his experience in engineering, it came out that he had never driven an engine in his life, though he had studied the subject deeply, and was well acquainted with the works of Watts, Mariotte, and other celebrities. He knew the history of the steam-engine from its first inception to the present day ; and every detail of its construction was as familiar to him as the management of a "corner" on the Stock Exchange.

I begged him on no account to trifle with it, telling him that I was sufficiently satisfied to regard it in a state of repose. I could easily imagine how it would puff, and turn and fizzle, and how the hammers would clatter away on their anvils. Besides that I begged him to remember that the machine did not belong to us, and that the owner, upon his return, would be very little obliged to us for interfering with it.

But my friend, bent upon having his own way, assured me that he was as much the owner as any body else, for he remembered being the possessor of considerable of its capital stock.

Being of rather a conservative turn of mind, and not over-given to experimenting, I prudently retreated to the door while my friend advanced toward the machine, and began his manipulations. He handled two or three levers, turned a wheel or two, and with a loud snort and a plunge, the mighty engine commenced heaving into motion. Ponderous wheels revolved, and giant arms stretched themselves forth to their mighty task. My friend perspiring with unwonted exertions, but radiant with the success of his achievements, now stood leaning against an iron pillar, absorbed in the evolutions of the engine.

Presently he turned round and beckoned to me. "Pray come in," said he, "Mr. Doubter, and let me show you the working of this cut-off ; and then I will show you how steam can be used expansively." He said this gayly, and with an air of assurance that almost tempted me to enter.

But my old prejudices still clung to me, and I could not bring myself to confide to a mere theorist. I remained

at the door, lit a fresh cigar, and looked on. My friend, evidently resolved that I should know all about steam engines for the future, went on to discourse learnedly upon the subject. He said more in half an hour than I could write in a volume, and to my uninitiated mind appeared to be better acquainted with the subject than Fulton or Livingston.

He showed how a great many improvements could be made, and actually proceeded to apply them on the spot. This consisted in the better adjustment of a certain screw near the steam-valve, and as he proceeded with his work I began to feel alarmed at his rashness.

He turned the screw once, he turned the screw twice, he turned the screw thrice ; again he ——

Horror of horrors ! Powers of nature ! Never did I behold such an awful sight before ! The driving-wheel commenced revolving with the rapidity of lightning ; the giant arms went shrieking round as though they meant to catch at the roof and tear the very building to pieces ; the enormous trip hammers began to sweep through the air, and pound upon their anvils with terrific crashes ; and hitherto unnoticed parts of the machinery emerged from hidden corners, and set furiously at work to destroy each other in their opposing course in mid air. The steam whistle belched forth an unearthly yell ; a loud alarm rang through the village, and a crowd of workmen was seen rushing toward the factory.

Meanwhile my unfortunate friend tried to escape from the fearful consequences of his folly ; but the passage was intercepted by the deadly arms of a thousand encircling levers, or encumbered by falling beams of iron hurled by the ungovernable engine. He strove to speak to me, and held out his arms imploringly ; but what could I do ? It was death to enter the building, and his fate seemed but too imminent. Even to stand at the door was to tempt destruction, for hundreds of pieces of broken metal came flying every moment through the aperture. As I turned away despairingly from my post, the workmen crowded about me, and inquired the cause of the disaster. I was too distracted to reply. I told them a man was perishing

inside ; but begged them to come away, and not to sacrifice themselves needlessly in attempting his rescue. Some of them followed me, and retired to a distance ; but the majority, emboldened by a few who resolved to stop the machine by getting down to the engine-room through the roof, remained near the entrance, eager spectators of their own ruin—for the destruction of this workshop, as I afterward learned, threw every man of them out of employment. In a few moments a loud report shook the very earth we stood upon, and the whole manufactory was blown to fragments ! Along with it perished my foolhardy friend ; and as I picked my sorrowful way among the ruins in search of his body, I came also upon the mangled remains of a number of the workmen who had blindly attempted his rescue.

Thus, through the ignorance and temerity of ONE MAN, many valuable lives were lost, a vast property destroyed, and thousands of families plunged in beggary ; for I discovered that the shares in the concern were widely distributed, and were held by every poor family in the country. I myself was a heavy loser, and would have been entirely ruined had I been less prudent in my investment. The name of the concern was

THE NATIONAL FINANCE MACHINE,

USEFUL WHEN LEFT TO ITSELF, BUT DESTRUCTIVE IF TAMPERED WITH.

And so ended my trip to the country.

CHAPTER XII.

How the Bubble Expands—Employers and Workmen—What Goes Up and What Comes Down—As it is with Coal so it is with everything else.

WHEN, by means of forced measures, or legal tender laws, an artificial currency is introduced, in the place of gold and silver, the first symptom of the change is exhibited in the increased prices of all articles of production. First, gold and silver advance in price, as compared to paper, because they are easily transported, easily counted, and their value universal, and to be recognized at a glance. Besides that, they may be exchanged for any other kind of property, without the least difficulty.

The order in which other products advance in price is regulated by the number of these advantages which they possess, and it will be found, upon examination, that, *after gold and silver* come, successively :

1. Paper redeemable in specie.
2. Mining, railway, and other shares, commonly called stocks.
3. Staple products upon which the least labor has been spent, or which are imperishable, such as cotton, coal, iron, tobacco, etc.
4. Products upon which a greater amount of labor has been bestowed, or which perish easily, such as flour, sugar, whiskey, corn, etc.
5. Products whose value is almost entirely mechanical, such as fabrics, furniture, machinery, etc.
6. Real estate.
7. Mechanical labor.
8. Crude, or unskilled labor.

If a state of war be added to the paper issues, the relative advance of these items may be somewhat changed.

It will thus be seen that labor advances the last of all. By labor is meant, not only mechanical work, but transportation, and everything that helps it, and marketability, and everything that conduces to it. For instance, a ton of coal is worth but \$3 at the mines, in Wilkesbarre, Pa., but transportation to our market here brings the price up to \$7. A keg of nails worth \$3 in Pittsburgh, Pa., will bring \$5 here. And so with regard to marketability, or the art of making a product easily bought and sold, such as putting it in suitable packages, or dividing it into salable parcels, etc. For example, barreling flour, bagging grain, painting, coloring, ornamenting, labeling, putting in boxes, papers, bottles—and so on through the various labors that constitute the business of a merchant.

Labor advances last of all, because it is most intangible. It cannot be transferred from hand to hand, it can not be easily gauged or measured, for individuals will differ in skill and industry; its value differs in every country, nay, in places not ten miles apart, and no two persons will put the same estimation upon it.

For these reasons, it follows that the whole brunt of a change in the currency must, of necessity, fall upon the laboring classes, in which is included every man who works for a stipend, from a coal-heaver to an editor—from a porter to a bank-teller.

And when the present Administration commenced to tamper with it, they well knew these facts, but preferred this miserable tinkering, to a fair and square system of taxation, because the serious consequences it involved were remote enough to suppress indignation, until the sinister objects they had in view were accomplished, when indignation would be impotent, and resistance of no avail.

The workingman should, therefore, not cry out against employers, and accuse them of injustice because they will not increase his wages in proportion to the increased prices. They are not to blame. The Administration is to blame. *Your employers are, like yourselves, but the victims of an outrageous system, which, over and over again,*

has put back the hands of progress on the dial of national history.

Strike for higher wages whenever you can, but do not blame the employers if you do not succeed. Many of them will soon become bankrupt; most of them are losing money to-day--though you, and even themselves, believe they are exceedingly prosperous.

Take the case of a coal merchant who employs clerks, weighers, cartmen, sifters, heavers, and so on. Suppose he has a capital of \$10,000. He could, in ordinary times, and even now, get seven per cent. interest for this sum, and no risk or labor; so that, in order that he should be willing to employ it in business, the profit must be something more, to compensate for both the risk his money is put to, and the time and attention he is obliged to give to the business. Well, then, we will assume he makes an average profit of 25 per cent.; that he deals entirely for cash; that he sells his stock twice every year, and that he never gets cheated. In ordinary times, when coal cost \$4, and was sold for \$5, the following would exhibit a fair synopsis of his books:

STOCK ACCOUNT.

DR.

To cash capital	-	-	-	-	-	\$10,000
To two years' profit on 2,500 tons of coal, sold four times, at a profit every time of \$1 a ton	-	-	-	-	-	10,000
						<hr/> \$20,000

CR.

By expenses of two years' living for himself, at \$2,000 a year	-	-	-	-	\$4,000
By amount paid for labor for two years on business	-	-	-	-	3,200
By rent, and other office and yard expenses for two years	-	-	-	-	800
					<hr/> 8,000

By balance on hand at the end of two years \$12,000
Which is always good for 3,000 tons of coal; showing a net profit of \$2,000.

If it be contended that we have underrated the profits, it will likewise be seen that we have put the expenses at a proportionately low figure, so that the result is the same. Every merchant knows that a net profit of 10 per cent. per annum, after his family expenses have been deducted, is evidence of a prosperous business. Now, let us see how the same merchant will fare under the present influence of a forced currency, under which the coal has advanced to *double* its former price, the price of living to *half as much again*, and the labor *still at the old figure*:

July 1, 1861.—Buys 2,500 tons, at \$4	-	\$10,000
Sells at \$5—profit	-	\$2,500
Less six months' family expenses	- 1,000	
Less six months' office expenses	- 200	
Less six months' labor	- 800	
	— 2,000	
Net profit	-	500
Total capital	-	\$10,500

Paper money is now put in circulation, gold and silver disappear as articles of currency, and the price of coal, with everything else, goes up. Never mind; people will have to buy coal, no matter what the price is, and all he has to do is to raise the price in turn, still mindful to put on his usual profit of 25 per cent.

January 1, 1862.—Buys 2,100 tons at \$5	-	\$10,500
Sells at \$6.25—profit	-	\$2,625
Less six months' labor at the old figure	\$800	
Less six months' family and office expenses, advanced $12\frac{1}{2}$ per cent. over old prices	- 1,350	
	— 2,150	
Net profit	-	475
Total capital	-	\$10,975

This brings him up to July. Meantime, the price has advanced still further:

July 1, 1862.—Buys 1,829 tons of	
coal at \$6	\$10,975
Sells at \$7.50—profit	\$2,286
Less six months' labor at the old figure	\$800
Less six months' family and office ex-	
penses, advanced 25 per cent. over	
old prices	1,500
	<hr/> 2,300
Net loss	<hr/> 14

Total capital - - - - - \$10,961

It is now January, 1863. Prices have advanced again.

January 1, 1863.—Buys 1,566 tons of	
coal at \$7	\$10,961
Sells at \$8 75—profit	\$1,957
Less six months' labor at the old figure	\$800
Six months' office and family expenses,	
now advanced to 37½ per cent. over	
old prices	1,800
	<hr/> 2,600
Net loss	<hr/> 643

July 1, 1863.—Total capital - - \$10,328

He has now \$10,328 in paper money, which at \$8 a ton, will only buy 1,291 tons—a clear loss of 1,209 tons, or nearly half his original capital. His family and office expenses for the ensuing six months will amount to \$1,800, and his clerks and workmen, instead of \$800 for the half year, want \$1,000. Although they are obliged to demand higher wages, and are perfectly justified in doing so, it will readily be seen that the merchant himself must soon fail. *They are alike victims to the ruinous schemes of a fanatical and ambitious Administration.*

It is this flat-boat cabinet that the starving and freezing poor must execrate, as they munch their beggar's crust, and sit shivering on Shoddy's doortstep; it is they who have increased the price of coal, and every other article of consumption; it is they and their creatures who, not content with offering \$800 bounties to the heroes that enlist in this patriotic war, are now proposing to raise their pay from \$13 to \$20 a month.

CHAPTER XIII.

The History of Repudiation—Richard I.—Edward I.—Henry VIII.—Elizabeth—Charles II.—William III. and the Proud Spanish Jews—Modern Shylocks—Repudiation in America—Mississippi not the First Case—Repudiation Inaugurated by the Loyal Leaguers of 1864—Interesting Particulars.

WHATEVER may be said of us abroad, the history of these States points to a strict and uniform regard for the rights of creditors. No such acts of repudiation, as the history of England presents up to the time of William III., have stained the escutcheons of our young and struggling communities.

We have had no Richard I. to mortgage the customs, farm the revenues, arbitrarily tax the wealthy, and feign the loss of his signet, to procure loans and fees—and then, when the money was dissipated, resume the property he had previously sold, and disclaim the debts he had thus unjustly contracted, under the pretense that he had no right to alienate the one or engage the other. We have had no Edward I. to feign a voyage to the Holy Land, seize the money and plate of monasteries and churches, and then keep the treasure and avow the cheat. We have had no Henry VIII. to extort a tribute of ten per cent. upon all property from £20 to £300, and a higher rate on larger sums, and then compel a subservient parliament to repudiate the entire debt. We have had no Elizabeth to levy forced loans indiscriminately, and not only refuse to repay them, but to actually lend the entire sums thus extorted to the very men she had wronged, *upon an interest of seven per cent., and a security of gold and silver plate!* And we have had no Charles II. to seize the money of merchants, hawk his worthless promises about the streets, and persecute those that refused to buy them; borrow money from his friends, borrow money

from France—and finally to repudiate everything, but such as state policy made it more profitable to recognize.

From a period of immemorable antiquity, it had been the practice of every English monarch to contract debts. It was only the Revolution that introduced the practice of paying them. An incredible number and variety of debts had been contracted by the earlier monarchs, but all the promises and pledges which had been given for their redemption were broken directly the money was gained ; and it remained for William, no matter how much he may have erred in other respects, to establish the principle that faith to the public creditor must be inviolate. This principle was urged upon William by the proud and subtle Spanish Jews, who accompanied him from Holland, in the capacity of financial advisers. These men taught that principle, which, for a century and a half, has operated on the fortunes of all Europe—which proclaimed that, under every form and phase of circumstance, in the darkest hour of gloom, as in the proudest moment of grandeur, the inviolable faith of England should be preserved towards the public creditor.

The insecurity which a Republican form of government affords to the public creditor has been fully illustrated in the history of both the French and American revolutionary debts ; and in that of the various American States mentioned below. Hence the desire of all holders of national obligations for “strong government,” “union,” “centralization,” even despotism, if needs be ; anything, so long as the due payment of their claims is observed. They stick to the law, even though it be full of abuses, because the law guarantees their bonds ; and they detest revolution, however provoked, or innovation, however desirable, because both revolution and innovation imperil them.

Such are the class of men who form our Loyal Leagues ; such those who send their wives to crown redolent negroes with martial bays, who drum their patriotism with unceasing clamor in the nation’s ear—a patriotism which, like the drum they echo it on, is both deafening and hollow.

It is interest, it is property, "usance," "ducats," "well won thrift"—not patriotism, not even honest fanaticism, that animates these zealots.

* * * * *

"My bond :
If you deny it, let the danger light
Upon you charter, and your city's freedom."

As will be perceived in the sequel, they are quite as ready to disclaim their obligations, and vote for repudiation when it serves their interests, as they are now to preach fidelity to the laws which has made them the nation's creditors, at from 25 to 50 per cent. "off for cash."

The circumstances under which this debt has been created, do not lessen the hazards which proverbially attend investments in government funds.

Should the constitutionality of the measures of this Administration ever be questioned by competent authority, it would necessarily involve the legality of the legal tender, and other acts upon which this debt is founded.

The extravagance, dissipation, and fraud that have attended its issue may at some future time tend to vitiate at least some portion of them, as will presently be seen, was, twenty years ago, successfully urged in the cases of Mississippi, Indiana, and other States.

It is a sad duty for the journalist to parade these blots upon his country's faith, for so, in spite of all extenuation, will the world persist in stigmatizing them ; but they serve to demonstrate more forcibly, than by any other means, the great lesson, that with violence walks fraud, and with fraud, dishonor.

REPUDIATION OF MISSISSIPPI.

The Constitution of Mississippi provides that no law shall ever be passed to raise a loan of money upon the credit of the State, for the payment or redemption of any loan or debt, unless such law be passed upon by two successive Legislatures.

In 1838, the Union Bank of Mississippi was chartered by the Legislature, with a capital of \$15,500,000.

By a supplemental act, the Governor was directed to

subscribe in behalf of the State for 50,000 shares of the Bank stock, to be paid for by selling \$5,000,000 of State bonds, at par, in current money.

This act was passed upon but by *one* Legislature, and was therefore clearly informal.

Upon the 18th of August, 1838, Nicholas Biddle, of Philadelphia, contracted for these bonds with the Union Bank, with the proviso that they should be made payable at the agency of the Bank of the United States in London, in sterling money of Great Britain, at the rate of four shillings and six-pence to the dollar, with interest; Mr. Biddle, on his part, agreeing to pay the bank five millions of dollars for the bonds, the Bank of the United States guaranteeing his performance of the contract. This money was duly paid to, and received by, the Union Bank of Mississippi.

From this time the career of the bank was one succession of folly, extravagance, and fraud, and in two years after it was chartered it became hopelessly insolvent.

The situation of the bank was communicated to the Legislature by the Governor, in his annual message, January, 1841, and here, for the first time in the history of our State governments, appeared the word Repudiation.

The grounds upon which his recommendation to ignore the debt is laid, are, that fraud and illegality vitiated the contract made by the State—that the act authorizing the issue of the bonds was passed contrary to the provisions of the Constitution, and, besides, that they were never secured, as was contemplated by the original act, by bonds and mortgages on real estate—that by the bonds having been dated in June, and sold in August, and through the contract compelling them to be paid in London, at four and six-pence to the dollar, the sum of \$1,084,781.30 was gained by the lender, and to that extent the bonds were fraudulent and usurious, and that Mr. Biddle was not a citizen of the State, etc. In short, it was clearly a shave on one side, and a technical defense on the other. The upshot of the whole matter was, that the bonds were repudiated, and have never been paid.

REPUDIATION OF INDIANA.

Indiana failed in July, 1841. She got in difficulty from undertaking works far beyond her means, and was defrauded by parties she employed to negotiate her loans to the extent of \$3,000,000, chiefly by the *Morris Canal Company*. In 1846 she made an arrangement with the Rothschilds and others, who were her creditors, by extending half the debt, and pledging her canal lands and tolls for the payment of the other half.

REPUDIATION OF ILLINOIS.

Illinois failed in January, 1842. She organized, in 1837, a board of "fund commissioners," to negotiate loans, and sell stocks for her; a "fund for internal improvements," which was to consist of "all moneys which shall or may be raised by the sale of stocks or State bonds;" and a "board of commissioners of public works," which was to "locate, direct, superintend, and construct" the internal improvements aforesaid. In five years' time, this gigantic system of contractorship fell through, the works were abandoned, and the State, in her deep embarrassment, found herself, not only without the means to pay the interest on the debt she had contracted, but constrained to repudiate the validity of many of her outstanding bonds, which were then in the hands of men who had clearly defrauded her in the manner of their negotiation. (See *State of Illinois vs. Delafield*, New York Chancery Reports.) It was the Mississippi case over again. The chief evil-doer in this affair was a corporation called the "*Morris Canal Company*," mentioned above, and of which we shall have something more to say further on. The State made some arrangements with such of her creditors as had nothing to do with this ill-advised enterprise, in 1847, and has since that time redeemed her credit.

REPUDIATION OF MICHIGAN.

Michigan failed in January, 1842. She contracted a debt to the extent of \$5,000,000, and after receiving payment for rather more than \$1,000,000, she sold the re-

mainder of the bonds, authorized by acts of her Legislature, to the United States Bank, and to the "*Morris Canal Company*," upon credit. The bonds were by agreement delivered to those companies with power to sell them; but the State was to be paid by installments of fixed amounts every three months. Those companies both failed, when they had paid rather more than half the amount; but long before they failed, they had borrowed money upon the whole of them in Europe. The lenders advanced money to the extent of 88 per cent. upon them. When the crash came, Michigan asserted she was not bound to acknowledge more than she had received money for, and also set up a claim to 25 per cent. upon the sum remaining due from the companies, and to deduct this amount (about \$550,000) from the claims of the bondholders—then to give new bonds for the net amount. Upon some such basis as this she ultimately settled with her creditors—but the same fraud and extravagance was exhibited in this case as the others.

LOUISIANA, FLORIDA, ARKANSAS, AND MARYLAND.

The case of Louisiana was precisely like that of Mississippi; the amount of her bonds given to the Citizens' Bank, and the Consolidated Association of Planters being \$9,400,000. Florida borrowed money as a territory from European capitalists through J. L. & S. I. Joseph and Nicholas Biddle—Daniel Webster giving it as his opinion at the time that a Territory had a right to make loans, and issue bonds therefor. She afterwards became embarrassed, and failed to meet her interest; and upon her becoming a State, it was shown that the presumed right of issuing the bonds was clearly inadmissible. This was in 1845. Arkansas got into trouble in 1841, but contrived to emerge from it without stain. Maryland failed in January, 1842, her debt having been chiefly contracted in the construction of a large canal. By allowing the taxes to be paid in over-due interest coupons, which the European holders parted with at about 78 cents on the dollar, she managed to absorb much of her arrears; though, of course, but little money came into the treas-

ury. In 1846 she paid the outstanding portion of the dividend due in 1842-3, and in 1847 paid some of the rest; and resumed payment in October, 1848, by funding the balance. Her case, and that of Arkansas and Indiana, can scarcely be called repudiation. It was simply suspension, for neither of them refused to acknowledge their indebtedness.

REPUDIATION OF PENNSYLVANIA.

Pennsylvania failed in 1842. She fell into difficulty and discredit from great mismanagement, and for several years was unable to pay her interest. The shaves of her first creditors had a good deal to do with it too. Her indebtedness amounted to \$40,000,000, and was not liquidated for many years, to the great suffering and loss of her bondholders, who were represented to be mainly persons of small means. After many sacrifices and much loss, she finally emerged, in 1847, into something like a respectable financial condition.

This ends the melancholy catalogue of repudiating and suspending States. The history of each presents almost the same features. Vain chimeras—exaggerated resources—cent per cent. bargains—fraud—extravagance—failure and embarrassments

The recklessness with which a host of impracticable schemes were entered into, is partly attributable to the paper inflation which prevailed at that time, and partly to that carelessness for the rights of creditors which the State governments had learned from the great centre of all American finance, THE NEW YORK STOCK BOARD—the history of which, in connection with the Morris Canal contracts, we have purposely reserved to the last as a fitting climax to the subject of Repudiation.

THE FIRST REPUDIATION IN AMERICA.

The first example of this pernicious doctrine which occurs in the history of our country was set by the New York Board of Brokers, in 1834 or 1835—about thirty years ago—and by the same class of men—nay, by some of the very *same* men that now compose our Union

League clubs, and display such great concern for "our national honor," and "our sacred debt," and "our moral obligation to pay the last cent of it"—and all that sort of thing. The moral obligation that held these men to their bargains was far greater than that which bound the defaulting States who followed their bad example, for many of them had nothing to lose by voting against the repudiation, and those that did lose, knew full well, before they speculated, what risks they were running, and should have paid them when they lost.

In the year above-named the stock of the Morris Canal Company was "cornered"—in other words, one set of men had, in their eagerness to depress the market, sold, and promised to deliver, more shares of the stock than they could buy on the day of delivery.

The usual way of settling an affair of this sort, is to call upon the men to whom you are bound (and who, of course, are holding the very stock you want to buy), and, throwing yourself upon their generosity, arrange some satisfactory compromise. Such a compromise is never very difficult to make, nor arduous to perform, and is only a fit punishment for your temerity and ill management—for you have agreed to deliver what you did not possess, and could not buy. But the men who composed the stock-board at that time, the Shoddy patriots and Union Leaguers of the day—knowing the law could not touch them, for it did not enforce contracts made for a fall in stocks—met in council, and deliberately passed the following resolution, repudiating, in the most bare-faced manner, an immense number of extensive and important contracts :

"Resolved, That the Board will take no cognizance of existing contracts in Morris Canal Stock."

There are twenty-nine names appended to this resolution, but seven of which represent firms still in existence. These names we omit, mainly because most of them are of those who now either out of business or dead. We have no wish to recall such recollections, to disturb the quiet of retirement, or the repose of the grave.

FINIS.

I N D E X.

CHAPTER I.—Published March 12, 1864.

Money Matters—Extraordinary Scene in a Horse-Car—A Talk among the Working Classes—Irredeemable Shinplasters—The Man with the Brass Plate—Human Nature—Greenbacks and Specie..... 1

CHAPTER II.—Published November 21, 1863.

Taking it Easy—Appearances Very Deceptive—Sudden Awakening—The Confident Man Ruined—The Rogues Enriched—The Cry of Necessity only a Blind—The Lust for Power, and the Ruin it Works..... 11

CHAPTER III.—Published November 28, 1863.

Coral Islands and How they are Built—Pluto—The Tub whose Bottom fell out—What a Dollar is—Showing how a Merchant may Lose while he Thinks he is Gaining..... 16

CHAPTER IV.—Published December 19, 1863.

The Report of the Secretary of the Treasury—The Four Knaves—The National Game of Poker—\$4,000,000,000 the Greatest Amount we can ever Owe—The Situation—Limits..... 22

CHAPTER V.—Published December 26, 1863.

Opinions of Shoddy—Is thy Servant a Dog?—The Course that Ends in Disgrace and Ruin..... 29

CHAPTER VI.—Published January 9, 1864.

Confidence Operators—Seducers—Our Debt prior to the War, and our Debt now—A Sensation Programme—Stand from Under..... 35

CHAPTER VII.—Published January 16, 1864.

The Kitchen Cabinet and its COOKS—Financial Negromancers—A Swindling Operation—The Rush to Get Rid of Greenbacks for Property—Effects of Tampering with the Currency—Transfusion..... 41

CHAPTER VIII.—Published January 23, 1864.

The Secretary's Abilities—He Confesses to Know Nothing of Finance—What Other People Think of Him—What the Papers Say—What George Washington Thought of Paper Money—Old Hickory and Old Buck—Doctor Johnson and Macpherson—Beware of Chase..... 46

CHAPTER IX.—Published February 6, 1864.

A Little Knowledge is a Dangerous Thing—Provocations to War—Destruction of the Border Land—Free Labor and Slave Labor—Helper's Crisis and the Hay Argument—The Massachusetts Disunionists—Emancipation in Jamaica—We are Northern to the Back Bone, but no Pharaoh—The War doesn't Pay..... 50

CHAPTER X.—Published February 13, 1864.

The Warrior and the Workmen—Achilles to Puck—Number of Men Called for, and Number Enlisted—The Horrors of War—Desolation of the Border—What the Confederates Say—Suff rings of Soldiers and Families..... 64

CHAPTER XI.—Published March 19, 1864.

Power and Patronage—A New Order of Moneyed Aristocracy—The Poor Ground to Powder—Mr. Stebbins' Speech—The Finance Machine—Terrific Explosion and Horrible Catastrophe—The Results of Tampering with the Currency—Let Well Alone..... 72

CHAPTER XII.—Published December 12, 1863.

How the Bubble Expands—Employers and Workmen—What Goes Up and What Comes Down—As it is with Coal so it is with every thing else..... 82

CHAPTER XIII.—Published April 9, 1864.

The History of Repudiation—Richard I.—Edward I.—Henry VIII.—Elizabeth—Charles II.—William III. and the Proud Spanish Jew—Modern Shylocks—Repudiation in America—Mississippi not the First Case—Repudiation Inaugurated by the Loyal Leaguers of 1864—Interesting Particulars..... 87

